

# Maclean's

## DANGER IN THE WATER

THE NATIONAL ANXIETY  
OVER WHAT COMES  
OUT OF THE TAP

THE RUSH TO  
BUY PURIFIERS  
AND BOTTLED WATER





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# Maclean's

CANADA'S WEEKLY NEWSMAGAZINE JANUARY 15 1990 VOL 18 NO 2

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## COVER

## DANGER IN THE WATER

For decades, industries and municipal sewage systems have been dumping pollutants into the nation's lakes, rivers and coastal waters where communities get their water supplies. Well water is being polluted by agricultural and industrial waste. The time has come, some experts say, for Ottawa to pass laws setting national standards for the quality of drinking water.

— 30

## WORLD

## NORIEGA ON TRIAL

This week, prosecutors in Miami are preparing the case against disgraced dictator Manuel Noriega, who was flown there after he left his sanctuary in Panama City and surrendered to American authorities. But attempts to try the former CIA informant on drug trafficking charges may prove embarrassing.

— 16



## FILMS

## WAR'S DARK LEGACY

Two new movies deal with the lingering shadow of the Holocaust. In *Miami Vice*, Jennifer Lopez plays a lawyer defending her Hungarian-American father against charges of war crimes. *Evolution*, a Love Story presents the romantic misadventures of a Polish-American Jew still traumatized by Nazi terror.

— 48





## LETTERS

### THE EXPENSES OF WAR

In your choice of the subtitle "Defense costs will cost thousands of jobs" for "The price of peace" (Buzarek, Dec. 11), you have overlooked the fact that military spending is one of the *least* effective strategies for job creation ever devised. The U.S. government admits that spending on education, affordable housing, medical services and environmental cleanup is more *efficient* than projects like the South border. Besides, is there any responsible person on earth who would want to make a career out of preparing costly armaments of destruction? In terms of wasted effort and lives thrown away, if you think peace is expensive, try war.

Lee Kinsinger,  
Hawthorn

### JOINING EUROPE

Regarding Barbara Amiel's column "Britain's coming tea with Europe" (Dec. 10), I wish to point out that the United Kingdom did not join the European Community by signing the Single European Act. That was done by the Act of Accession Treaty of January, 1972. The Single European Act, which amended the European Community's founding treaties, was adopted by the 12 member states in February, 1986.

Roy Christensen,  
Preston, Ontario  
Deputy Chief of the Commission  
of the European Communities  
Ottawa

### HOPE FOR CF VICTIMS

We were delighted to see that Marlene's clinic to recognize Les-Cher Tots, who with his colleagues discovered the gene for cystic fibrosis, is one of "Twelve who made a difference" in 1989 (Cover, Dec. 22). We wish to offer a correction to your article, however: cystic fibrosis is not "frequently fatal." Unfortunately, CF still claims the lives of 100 per cent of those who are born with it. That's achievement is important in that "Twelve who made a difference" in 1989 (Cover, Dec. 22). We wish to offer a correction to your article, however: cystic fibrosis is not "frequently fatal." Unfortunately, CF still claims the lives of 100 per cent of those who are born with it. That's achievement is important in that "Twelve who made a difference" in 1989 (Cover, Dec. 22).

Cathleen Morrison,  
Executive Director,  
Canadian Cystic Fibrosis Foundation  
Toronto

### QUESTIONING GLASNOV

The banning of Ukrainian in Kiev during Boris Yeltsin's visit to the Shevchenko monument ("Candling up," Cover, Dec. 4) echoes what Tern Shevchenko, Ukrainian poet and patriot, said more than 100 years ago:



South borderers little job creation

"This land of ours that is not ours." Neither today nor in Shevchenko's time have Ukrainians been masters in their own home. *Glasnost!*  
Mary Coleman  
Toronto

There is no doubt such a rapid transformation in that of the Soviet empire is a great and

historic development ("Prague's autumn revival," Cover, Dec. 4) just as a note of caution, though, the empire has not fallen completely, as suggested in your article. It continues to exist as a military entity while Soviet troops and weapons remain on Eastern European soil.  
Christopher J. Gove,  
North Bay, Ont.

### UNSUNG HEROES

In "The elite volunteer" (Letters, Dec. 18), library volunteer Jo is not that volunteering has become an exercise only for the well-off. Perhaps only the elite can become high-profile volunteers like Mike Maloney. However, among horses who volunteer as an informal basis also make a tremendous contribution. No doubt the elite are in a better position to contribute funds to their favorite causes. However, anyone can make a difference by contributing even a small amount of time.

Joanne Cooper,  
Executive Director,  
Volunteer Centre of Metropolitan Toronto  
Toronto

Letters are edited and may be condensed. Writers should specify name, address and telephone number. Most envelopes should be addressed to: Letters Editor, Reader's Response, *Western Weekly*, 777 Bay St., Toronto, Ont. M5S 1A7.

## PASSAGES

**UNDERGOING TREATMENT:** Barbara Bush, 64, the wife of President George Bush, is recovering from a dislocated hip in her right, double vision, balding and tremor caused by Graves' disease, a thyroid disorder; as an outpatient at a Washington hospital. Bush was being treated with low doses of medicine to control thyroid levels in the eye and neck in an attempt to reduce the inflammation and reduce the pressure that has caused bulging. Since last year, when she was diagnosed with Graves' disease, which attacks the immune system, Bush has been treated with daily doses of steroids. But drugs have not cured the condition, which, untreated, can cause blindness.



**DEAD:** American actor Alan Hale Jr., 71, best-known as the Skipper in the 1950s TV series *Gilligan's Island*, of laryngeal cancer, is hospitalized near his Los Angeles home.

**APPOINTED:** Accented Donald Trump, 56, as CFO commissioner, by the mayor's board of governors. As controller of Maple Leaf Gardens since 1991, Trump was involved with the business operations of both the Toronto Maple Leafs and the Hamilton Tiger-Cats.

**DEAD:** American fashion designer Patrick Kelly, 39, whose trademark tight-fitted dresses covered in patterns were worn by clients such as the Princess of Wales and supermodel supermodel Madonna, of bone marrow disease in hospital near his Paris home.

**AWARDED:** To Toronto multimedia artist Vera Frenkel, 51, whose works have been presented in major galleries and festivals around the world, the \$25,000 Canada Council Media Prize in the Arts for 1989, for her contribution to Canadian culture.

**MARRIED:** Singer Pauline Julien, 41, and poet Gerald Gauthier, 54, a Parti Quebecois cabinet minister from 1978 to 1986, after being together for 27 years in a civil ceremony at a Trois-Rivières, Que.



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# OPENING NOTES

Lucien Bouchard revises history, Jeanne Sauvé will get tea and cookies, and Newfoundland picks up a large tab

## CHANGING THE GUARD

Ottawa will bid an official farewell to Jeanne Sauvé on Jan. 26 in a vigorous send-off that is scheduled to include a 21-gun salute and an honour guard inspection at its Uplands. Then, at the conclusion of ceremonies that will last about 45 minutes, the retiring Governor General and her husband, Murray, will board a Challenger jet and embark on a 35-minute journey to Moncton. According to a spokesman for the secretary of state's office, that ritual—with tea and cookies for about 80 guests—has been staged for other outgoing governors general, including Edward Schreyer and Roland Michener. Meanwhile, Sauvé's successor, former Tory cabinet minister Ray Hnatyshyn, who is to be sworn in on Jan. 26, recently hinted that he may reside out of the more unpopular centre of Sauvé's tenure: barring the public from the grounds of Rideau Hall, the Governor General's official residence. Declared Hnatyshyn during a recent party at his former law firm, "I guess if the Berlin Wall can come down, the gates can be opened."

Sauvé: a 21-gun salute and a hint of a new policy



AP/WIDE WORLD

## A joint departure from the Globe

After 35 years, most editors columnist at the *Globe and Mail* had moved, as part, she said, because the new head of the newspaper, publisher Ray Nagin, was not taking her. The departure of her husband, sports columnist David Payne, also influenced that decision, according to Colwood. *Globe* management told Payne that 1990 would be his last year at the newspaper. But Payne, who now writes monthly columns for Maclean's, chose to stay to ringside last October. Colwood, who last quit her former husband at the *Globe* in 1982, said that there had been no informed symmetry to their leave-taking. Payne's obituary of today

great Doug Harvey, which he had roughed out several months earlier, ran on Dec. 27—the same day as Colwood's final column.



Colwood, reports and an unceremonious symmetry

## CHALLENGES ON THE AIRWAVES

After Fidel Castro banned several Soviet magazines that criticized *Stalinism* last July, the *Voice of America* swiftly responded to that action by including excerpts of the censored material in radio broadcasts in Cuba. Castro has refrained from banning those broadcasts, but spokesmen for the U.S. government service say they will inaugurate similarly styled TV programs in Cuba this month with some trepidation. If Castro activates his jamming transmitters in retaliation, U.S.-based radio broadcasts could be disrupted as far west as Iowa.

## Chilly reminders of the Cold War

Despite a method there in relations, U.S. and Soviet diplomats in Washington and Moscow are still feeling some Cold War chill. Indeed, state department spokesmen want the Kremlin to bear the \$290-million cost of demolishing the incomplete U.S. Embassy in Moscow—because the Soviet-built structure is riddled with listening devices. Similarly, Soviet officials told Maclean's that they are still removing bugs from the new, U.S.-built Soviet Embassy in Washington. And that superpower standoff will last until the mid-1990s, by agreement, one country cannot take over its new chancellery until the other does the same.



Jolivet (left), Masse: a conciliatory approach after harsh criticism

## POLITICS AND HIGH DRAMA

Federal Communications Minister Marcel Masse has spent several weeks trying to persuade critics that the federal government has no plans to curb the Canada Council's autonomy. His efforts follow recent comments made by Revenue Minister Otto Jolivet that Ottawa will soon begin to exert control over the council's grant disbursements. (The council, which supports 800 arts organizations across Canada, received \$82.6 million in federal funding during the 1988-1989 fiscal year.) Jolivet said that he was particularly

angered by the fact that Bédard in *Real Time*, a Toronto-based theatre group that presents dramas with homosexual themes, has received several grant awards in recent years. Despite Masse's conciliatory efforts, however, representatives of 20 Canadian arts organizations expressed concerns that the culture minister failed to voice an outright rejection of Jolivet's position. As a result, many council supporters say that they are nervously awaiting a second act in the political drama.

## THE TAB FOR HOSTING 'CHRISTINA'

The mystery of "Christina," a seemingly mute girl who was apparently abandoned outside a St. John's church, focused worldwide attention on Newfoundland last July. But police later learned that Christina was Rachelle Seck—a 19-year-old from Portland, Ore., who, say U.S. doctors who have treated her, suffers from a personality disorder. After Seck returned to Portland on Nov. 1, a government spokesman estimated that the provincial department of social services had spent \$2,000 on her care. But documents that the St. John's *Sunday Express* newspaper obtained under the province's Freedom of Information Act show that the total cost to the province was 12 times higher—\$26,739.43—for items ranging from a lawyer to represent her to a trip to the movie *Ghostbusters*.



Seck: a controversial side show

## Revised history lessons

While showing off the virtues of Charlottetown last fall, John Joe Seck, captain of the Atlantic Grand General, scored a point to Prime Minister Mulroney at a special 150th anniversary of the Confederation. Then, recalled Seck, he encountered a *Peter Canada* side show that he said contained more than. The controversy-ridden aspects of that history program: Henry 10 of England's marriage to John Cabot being, Christina's "heavenly and awful" (in a 1989) episode to the New World. Seck launched a campaign to have the passage deleted, and last month Internal Government Minister Lucien Bouchard reached also promised to delete any similar content in other *Peter Canada* programs—while saying that the passage was a historical reference to all non-Christians and not specifically to native peoples. Compromise is the mark of a good politician.

## Back on the beat

She was dismissed with 29 others as part of cost-cutting measures at CTV in March, 1987. After a yearlong



Maclean's: 'old jobs'

dispute with the network, Helen Buchanan accepted an undisclosed termination settlement last spring. Now, the news anchor, who had lost *60 Minutes*, CTV's current affairs show for nine years, has returned to the network—at CTV Radio, where she is doing what she loves: "old jobs," including filing in at the *World at Six* newscast. CTV is a new look for a familiar voice.



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Norm Goldie (left), Publisher of Hotel & Restaurant and Whaler Catering, President of The Whaler's Group, serve their industry through the sharing of information.

Publisher Norm Goldie knows his success depends on the success of the industry his publication serves. For this reason Canadian Hotel & Restaurant developed Metro Hospitality, a magazine created for the Metropolitan Toronto market, to focus industry attention on successful entrepreneurs who achieve exceptional success in the hospitality field. One such issue was devoted to The Whaler's Group of restaurants and hotel. Working closely with Walter Oster, Whaler's President, Goldie brought into play the full editorial, creative design and production talents of Maclean Hunter Business Publishing to produce and distribute a 20 page, full colour magazine that challenged others to further develop their place in the industry. Goldie even assisted with the sale of advertising, making it a self-sufficient project. Working to strengthen the fields we serve is a prime objective of every Maclean Hunter publisher and editor. Talk to us first.

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# A DARK HORIZON

For the oppositioned townspeople of Grand Bank, Nfld., it was an exercise in leveling off disaster. Anticipating an announcement that the giant fish company Fisheries Products International Ltd. would close its plant in the Bona Fide community of 4,300, Mayor Rex Matthews, Town Manager Gerte Ring and 200 other local residents piled into a company of school buses and cars at 8 a.m. last Thursday and drove the 366 km to St. John's. Once in the capital, carrying banners that read "Betrayed" and shouting threats of mobilization if their mayor employer shut its doors, they paraded in front of PFI's Lottery Revenue headquarters and provincial government offices. Said Matthews: "The people are angry. We're going to do what we have to to get our point across." But their protest was in vain: the following day, PFI announced that newly reduced quotas for northern cod and other poor market codfishes would keep it in St. John's Grand Bank plant, as well as plants in the small, south coast community of Goshals and Trepassay on the Avalon

## PLANT CLOSURES, DEPLETED STOCKS AND REDUCED COD QUOTAS THREATEN THE FISHERY IN ATLANTIC CANADA

Peninsula. With assistance that the provincial government will subsidize the plant's operations until well into 1991. And earlier in the week, federal Fisheries Minister Thomas Siddons, declaring the health of the Atlantic fishery a "national priority," promised a multi-million-dollar compensation package for workers in northern Nfld. the closures came less than a month after similar shutdowns affecting another 1,500 workers at three plants in Nova Scotia and Newfoundland, operated by PFI's main rival, Halifax-based National Sea Products Ltd. And the problems themselves went just the most visible of the ancient seaboard that have left clouds of gloom hanging over Canada's frequently embattled Atlantic fishery.

Last week's PFI shutdown followed an announcement from Siddons that underscored the crisis affecting northern cod, the mainstay of the \$2.2-billion East Coast fishery. Massive overfishing by the offshore, modern fleets from Canada and Europe have seriously depleted the once-luxuriant stocks of cod on both sides of the 590-mile limit off Canada's east coast. Citing the need for conservation, Siddons announced a new reduction in the fish-

ery's 1990 quota for cod—to 197,000 tons from last year's 235,000 tons. Even that was a compromise in the fishing industry's ramshackle (and dismal) scenario had recommended even higher quotas to help replenish stocks. But a furious union leader told Ottawa respon-

sible for the decline in stocks. Said Richard Gaulton, president of the 33,900-member Fishermen, Food and Allied Workers Union in St. John's: "It is all due to mismanagement."

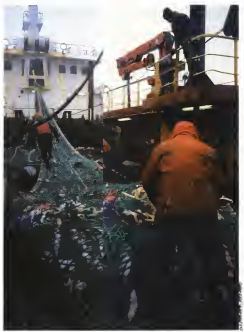
But the health of the Atlantic fishery is not entirely under Canada's control. One vivid illustration of that fact came last week, when the European Community decided to catch almost four times as many fish from international waters off Newfoundland this year as recommended by the co-operative body to which it claims and Canada belong, the

Northwest Atlantic Fisheries Organization. The United States had a cognitive impact, too, announcing new size restrictions on imported lobster last month that may cost Canadian lobster fishermen as much as \$20 million a year. Then, last week, the U.S. Court of International Trade upheld a sustainability duty of 5.8 per cent on imported herring and cod and halibut imports from Canada in retaliation for Canadian regional aid programs. By increasing the price of Canadian fish, that duty decreases its competitiveness on the U.S. market—to

which half of Atlantic Canada's fish catch is exported. Said Nova Scotia vice leader Alex McDonough: "This is very, very bad news, but not totally unexpected."

But even if it was anticipated, it seemed to some Atlantic Canadians that the decision bore the hallmarks of a heavy-handed foreign power. Said International Trade Minister John Crosbie, who, as Newfoundland's representative at the federal cabinet, is under fire from aggressive conservationists: "The fishermen and plant workers of Newfoundland have experienced many difficult periods, and none more difficult than now." But his part, veteran fisheries minister Clark's Heritage, N.S., said, "I've seen downturns before, but I don't know if we can pull out of this one." Smith, executive director of the South West Nova Long Line Association, an organization of fishermen who use long and hook instead of nets, has been involved in the fishery for 44 of his 59 years. He added, "It tears you apart to sit back and watch consumption go."

But the immediate problems would have been worse for Smith and other fishermen if Siddons had accepted the recommendations of some federal scientists and slashed northern cod quotas to 125,000 tons. And in a recent report by a panel of experts that Siddons established last February had recommended a maximum quota of 180,000 tons. The chairman of that panel, Memorial University professor Leslie Harris, said that the 197,000-ton quota was "disappointing." Added Harris on the difficulties of re-establishing the cod species: "We're at the edge of a cliff. It's very close, the chance of slipping over



Siddons (left) with Crosbie, Newfoundland trawler: destroying cod stocks through massive overfishing

Peninsula, and take 13 trawlers out of service. Said Francis Corrigan, a teacher in Trepassay: "We're looking at a slow death."

There were glimmers of hope for the more than 1,200 workers at the three plants. At week's end, Newfoundland Premier Clyde

## National Notes

### OPENING THE SKIES

An amended Canada-Portugal Protocol C-130 is set to open Hungary as a destination for the two nations' air traffic policy, under which Warsaw Pact and NATO aircraft would conduct surveillance flights over each other's countries. A NATO-Warsaw Pact conference to discuss open skies flights opens in Ottawa on Feb. 12.

### PARLIAMENTARY RAISE

Members of Parliament and senators received an automatic pay raise of 3.54 per cent on Jan. 1. The raise in the 395-seat House of Commons now results in a base salary of \$52,100, with a five-day compensatory allowance of no more than \$17,200. The senators' new salary is \$65,300, with a \$9,600 tax-free allowance.

### BENEFITS STATEMENT

Provision allowing residents of some economically depressed areas to qualify for unemployment insurance benefits as low as \$10 weekly of work, rather than the 14 weeks required elsewhere, expired on Jan. 5. The government's new unemployment insurance legislation, which includes a 10-week provision for some areas, remained tied up in the Senate as a result of a dispute between the Liberal-dominated upper house and the Conservative government. The bill was to have taken effect on Dec. 31.

### A NEW REVENUE SOURCE

After Minister Gerald Schmitt said that the government is considering a plan to auction electronic gambling machines in the province's hotels. It hopes to raise \$25 million a year through the machines.

### CARE VOWS TO STAY ON

After a five-hour private meeting with eight prominent labor leaders, Shirley Carver vowed to seek a third term as president of the 2.3-million-member Canadian Labour Congress at its May convention in Montreal. Canadian Auto Workers President Robert White, who attended the meeting, has told Carver that the lack of support of many labor leaders.

### SUPPORT FOR MEECH LAKE

Representing a new, 190-member organization, Friends of Meech Lake, former federal Conservative leader Robert Stanfield, former UN ambassador Stephen Lewis and Senator Solange Chaput-Robert called on Canadians to rally around the much-vetted constitutional accord. Stanfield told an Ottawa news conference that the accord's critics have "widely exaggerated and distorted" its provisions.

gets greater." But Seltzer said that "social and business imperatives" justified the higher figure. Said Owen, Miron, a former Newfoundland fisheries minister who is now a Halifax-based fisheries consultant, "It was a political compromise—and none too brave at that."

Indeed, Seltzer's promise of priority attention to an unprofitable industry that is the lifeblood of hundreds of coastal communities in the Atlantic region did little to appease his critics. But the federal government continued to insist that the fishery has been placed firmly on the national agenda. In Ottawa, a senior official with the federal fisheries department told *Newsweek* that Ottawa would respond to the European nations' overfishing just outside the 200-mile limit by continuing "diplomatic initiatives" that "may be supplemented in some other way outside the ministerial track." He said that Ottawa would respond to the European nations' overfishing just outside the 200-mile limit by continuing "diplomatic initiatives" that "may be supplemented in some other way outside the ministerial track." He said that Ottawa would respond to the European nations' overfishing just outside the 200-mile limit by continuing "diplomatic initiatives" that "may be supplemented in some other way outside the ministerial track."

Seen in Ottawa continued to battle with the m. Seltzer indicated that further constraints aimed at saving the Atlantic fishery will be about next week, the minister said he accepted "in principle" all 31 recommendations of a new, conservation-oriented management plan for the Scotia

Penalty fishing regime off Nova Scotia and New Brunswick. The plan, presented last week by a task force led by Jean Hébert, Atlantic regional director for the federal fisheries department, proposed, among other things, tougher penalties for violations of Canada's fisheries law. Larger fines for fishing sets and larger minimum fish sizes.

Newcastle, Ontario in Atlantic Canada continued to run high over an incident on Dec. 11, when the Canadian Fisheries Regulatory approached the Concordia, a scallop trawler out of Bathurst, Maine, in Canadian waters and ordered it to stop. Instead, the Concordia fled into American waters, allegedly running the Sagway three times during a 12-hour chase. Last week, Jean Cowey, senior official in charge of investigations in the fisheries department's conservation and protection branch in Halifax, said that the Concordia's captain, William Fyfe, has been charged in Halifax with illegal entry into Canadian waters, fishing in Canadian waters and failing to stop when ordered. Technically, those charges could result in fines

totaling \$1.75 million. But Cowey acknowledged that Fyfe, after 14 other Canadian fishing vessels found under Canadian charges, could not be extradited from the United States. Still, he added that increased surveillance by both U.S. and Canadian authorities in the area that lies between Nova Scotia and Massachusetts seems to have had an effect. U.S. poaching in Canadian waters, and Cowey, "appears to have fallen

On another front, municipal leaders in Atlantic Canada began to address the social fallout from the fish-packing closures. In the Halifax Dartmouth area, officials said that they were worried over the prospect of workers from coastal fishing communities suddenly arriving at the cities and looking for opportunities to place pressure on municipal resources. Said Harold Crowell, director of social planning in Halifax: "It's a concern. What is their choice? Not either come to Toronto. And in Toronto, the workers and failing to stop when ordered. Technically, those charges could result in fines



Charles "misanthrope"

Hébert or go to court as too high." Many political leaders say that what is needed is decarceration of the economies of stricken fishing communities. And another alternative under renewed consideration is diversification of the fishing industry. Robert Cook, director of the federal biological station at St. Andrews, N.B., said that fish farming, in which species are hatched and raised in enclosed pens in local bays, "is one of the future options for rural communities."

But the fledgling aquaculture industries on both coasts have been experiencing considerable difficulties. In the Pinery region of New Brunswick alone, fish farming has become a \$70-million-a-year business in just a decade. But the industry has been affected by severe winter weather and falling market prices—a problem that has also had an adverse effect on aquaculture in British Columbia (page 52). As a result, most experts at Atlantic Canada remain focused on the need to restore the traditional industry to health.

Still, some worried that ensuring the fishery's future will require a major change of attitude towards the sea's bounty. Raymond Ché, associate director of Dalhousie University's environmental studies program, said that the prevailing attitude has been that "we would be able to catch fish forever." Added Ché: "We don't say longer look at the fishery as a milk cow. It is just not that anymore." But it remained unclear whether communities in Atlantic Canada like Grand Bank, Nfld., can endure the social pain that will accompany the necessary adjustments.

GLEN ALLAN is in Halifax with ANNEKA HUNTER for *ST. John's*

## Down on the fish farm

*B.C. aquaculture proves to be a risky business*

With Canada's fishing industry suffering declines in nearly all sectors, fish farming appeared to be the wave of the future. But the recent experience of British Columbia's \$100-million-a-year salmon farming business clearly indicates that aquaculture, too, is a highly risky business. The industry appeared to be poised to blossom to harvest the rewards of five early years of investment and expansion. But circumstances suddenly changed, and the year ended with 84 of the province's 79 licensed salmon-farming companies for sale or in receivership.

For one thing, the market was flooded when Norway, the world's leading producer of farmed salmon, had a record 140,000 tons last year. At the same time, Canada's West Coast wild-salmon fisheries landed an 85,000-ton catch, compared with an average in past years of 60,000 tons. Said Valerie Brando, a spokesman for the B.C. Salmon Farmers Association: "The collapsed effort was to reduce salmon prices by 30 to 40 per cent."

After a harvest of 6,500 tons in 1986, B.C. salmon farms produced 14,000 tons of chum, coho and Atlantic salmon last year. But with prices depressed, the total revenues of \$104 million did not cover the costs of the operators, who ended an average of \$1 million each in their losses, going up to \$2 million in extreme periods (see p. 52) for three years before their fish were ready for market.

The farms consist of pens, some as large as 15,000 square feet, suspended in the ocean waters. They contain salmon raised from eggs to hatcheries. About half of the farms began operating in 1985 and, with their costs still unrecouped, they were vulnerable when the wholesale price of farmed salmon dropped to a low of \$4.35 a pound in August, down from \$4.45 in January. By year's end, the price had recovered to \$5.35 a pound, but by then most companies had consolidated with larger firms and 15 were in receivership.

Receivers are now operating some of the failed companies, and farm operators say that salmon prices should soon stabilize. To help increase demand, the B.C. Salmon Farmers Association is planning a five-year marketing campaign aimed primarily at U.S. consumers, who buy 60 per cent of the province's farmed salmon harvest. A successful campaign would go a long way towards bridging B.C. aquaculture's debt to their farms.

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## WORLD

# NORIEGA ON TRIAL

**PROSECUTORS FACE  
A CHALLENGE AS  
THEY TRY TO  
CONVICT THEIR  
DEPOSED CAPTIVE  
ON DRUG CHARGES**

**T**he light aircraft, flying near the Miami federal courthouse last Thursday as deposed Panamanian dictator Manuel Antonio Noriega faced his U.S. accusers, flew a banner bearing the devious slogan "Fly, bye, Tony." But the message may have been premature: Noriega's legal battle to beat a 12-count indictment, which alleges that he turned his country into a way station for Colombia's cocaine Medellín drug cartel, was just beginning. Through his lawyers, the senile Noriega, dressed as a four-star general, declared himself a political prisoner even when the court had no jurisdiction. And if that line of defense should fail,

"Our government is not seeking a deal with Noriega."

As Bush spoke, Panama began to face up to a vast job of material and political reconstruction. The last 26 years of Noriega's dictatorship, U.S. economic reprisals, and the damage and looting that occurred during the invasion itself had combined to cripple its once-flourishing economy. As a result, while ordinary Panamanians celebrated Noriega's departure, business and pass and parading late into the night, the U.S.-sponsored government of President Guillermo Endara began drawing up a wish-list of aid projects to revitalize an economy that has shrunk by at least 25 per cent since 1987, leaving more than a quarter of the workforce unemployed. "The U.S. government must recognize that it supports the recovery of Panama," said former Panamanian president Nicolás Ardón Beria, who is ardently pro-American. "That must be demonstrated by President Bush at the White House."

Meanwhile, amid the claims of bipartisan domestic praise of Bush for bringing Noriega to justice, one prominent figure continued to cast doubt on the assumption that the administration would act to make deals with Noriega. Laurence Berra, director of the Council on Hemispheric Affairs, a liberal, Washington-based think tank, has questioned the legitimacy of the Panamanian invasion and the validity of its objectives. And last week, after Noriega gave himself up, Berra stated that it was the result of a secret accord. "There must be some understanding," Berra told *Newsweek*. "My guess is that there will be a very restricted prosecution—a pro-

forma trial with a maximum sentence." Added Berra: "Noriega has a lot on Bush and on the Reagan administration. His son is in the hole concerning the 1994 presidential election in Panama."

According to Berra and many other observers, the true winner of that election was the then-60-year-old maternalist candidate, Amalia Mesa-Lago. But three slogans that, to accommodate the White House, Noriega "tried" 80,000 votes from Mesa and gave them to the U.S.-loathed candidate, Barrios, who was declared the victor. Said Berra: "Noriega could not tell about all of this—the truth about Reagan's Bush democracy in Central America. But my guess is that, as a result of some deal, he will not embarrass the administration."



Panamanians celebrating after surrendering deposed DEA agent Noriega onto police's victory at last

After Noriega and several aides slipped into the Vatican Embassy on Christmas Eve to avoid being captured in the massive U.S. assault, the ritual miracle of White House officials was to fulfill their traditional duty of providing sanctuary and to help Noriega find refuge in a third country. But an American official, supported by the Panamanian clergy, persistently argued that Noriega was a mass criminal on the run, the Vatican greatly offended its position.

While contacts continued between the White House and the Vatican and, at a local level, between the U.S. military authorities and Pope Juan Pablo II's Secretary of State, Noriega

spent much of his time confined to a Spartan bedroom in the Vaticanist compound. The room had only a few pieces of furniture, a crucifix and a broken TV set. It was not air-conditioned, although Noriega could see through its opaque windows. Still, he could hear the sound-theater rock music that U.S. soldiers blared at the embassy to entertain him, as well as the hazy of a mob of Panamanians who turned out to denounce him. Members of the embassy staff reportedly persuaded Noriega to surrender by giving him a bottle and, later, a sandwich—just that one of his aides had hidden at the embassy. Archbishop Marcos McGrath, Panama's senior church official, said that Noriega "kept pretty much to himself" and was "downcast and a bit lonely."

To help convince the Vatican to end Noriega's sanctuary, U.S. officials accused the Holy See that the charges against the ousted dictator did not carry the death penalty. The U.S. diplomatic effort received further support when McGrath and other Panamanian bishops contacted Pope John Paul II and requested leniency after the pope's return to Rome, that Noriega was a permanent violator of human rights.

Meanwhile, Laboa kept up pressure on Noriega to give himself up. Then, although Laboa feared the change, a senior U.S. official said that the senior told Noriega his sanctuary would expire at noon on Thursday, Jan. 4. At that point, Noriega decided to accept the offer. The simple choice: surrender or die. The American government apparently decided that it would be better to have Noriega, who was held by the Americans, be able to give himself up on the conditions that he could wear his full uniform, that his surrender would be taken by a U.S. official of equal rank, that there would be an media presence. The Americans agreed.

That evening, after a freshly shaved Noriega had been brought to his bed, Noriega telephoned his wife, Patricia, to tell her his decision. She had taken refuge with their three daughters at the Cuban Embassy, where they were awaiting safe conduct out of Panama. Noriega also telephoned his mistress, Vickie Arana, whose location was not publicized. Then, at 8 p.m., Noriega, wearing his full uniform and two pistols, Noriega left the embassy and walked to a nearby soccer field. There, Gen. Mario Cerecero, the senior U.S. negotiator, was waiting to take him by helicopter to Howard Air Force Base near Panama City. At Howard, Cerecero handed him over to

## World Notes

### THE CHANGING FACE OF EUROPE

In his first term in office as head of state, Czechoslovakia's new president, Václav Havel, paid a symbolic visit to not-so-faraway East and West Germany. He visited a spot to the Berlin Wall, the playground of love and divorce and death. "Our people are in too deep a hole at the stadium, in the street and in Europe," Havel said, both Czechoslovakian and Soviet officials declared that the Soviet-led trading bloc, Comecon, is obsolete. They said that the group should be restructured to reflect the changing face of Eastern Europe when it meets in Warsaw this week.

### TRAIN DISASTER

In the most rail disaster in Poland's history, at least 300 people were killed and more than 200 others were seriously injured when a packed passenger train plowed into a standing freight train. Officials said that the accident, which occurred at Siedlce about 300 km north of the port city of Gdansk, was apparently caused by a switchman who let the passenger train onto the wrong track.

### SLUDDING A CRISIS

Led and Labor Party leaders reached a compromise that averted the collapse of Israel's coalition government. A crisis erupted on Dec. 31 when Labor Prime Minister Yitzhak Rabin and Labor Security Minister Ezer Weizman left slightly meeting with an official of the Palestinian Liberation Organization. The compromise allowed Weizman to remain in the government but removed him from the policymaking inner cabinet.

### MURDERS IN NICARAGUA

Nicaragua claimed that U.S.-backed contra rebels were responsible for an attack on a group of missionaries and the slaying of two men, an American and a Nicaraguan, in a remote northwest region. The incident further strained relations between Washington and Managua, which had expelled 20 U.S. diplomats in rebellion for an American military raid on the residence of Nicaragua's ambassador to Panama on Dec. 23.

### A CALL TO ARMS

Albania's exiled monarch said that his government would plan to start radio broadcasts to the tiny Balkan state to prepare for an opening against Eastern Bloc rule and encourage Albanian rebels. King Leka, 50, son of Albania's late King Zog, who was killed by invading German and Italian troops in 1939, said that he wants to avert bloodshed in his homeland.





## THE SOVIET UNION

## Explosive protests

Violence escalates in a southern republic

The first report from the Soviet news agency TASS said that a "crisis or dragged" mode had carried out "unprecedented barbarous actions." In demonstrations last week along the southern border dividing the Soviet republic of Azerbaijan from the nation of Iran, the agency reported that competing Azerbaijani "banned and destroyed existing facilities, signaling systems and communication lines" to protest the separation of Muslims by the closed border. Those allegations were denied by the grassroots Azerbaijan Popular Front, which, according to many observers, organized the events. The group accused the Soviet state of offering misleading information to justify a crackdown on nationalists. But as reports of violence spread and Soviet troops moved into the republic, the group's leaders acknowledged strong anti-Moscow feelings. Front organizer Sobhan Beyranov told *Maclean's*, "People are filled with indignation at the behavior of the government."

With that explosive beginning, the new year seemed unlikely to bring Soviet leader Mikhail Gorbachev a reprieve from the often bloody nationalist tensions that have plagued his rule. The Kremlin announced that the Communist party kept in the Azerbaijan border region, Gendy Kayev, had been forced to step down, and it allowed the area to function as a semi-independence. Along with the turmoil on the southern border, the Azerbaijani—most of them Moslems—and neighboring Armenians, who are predominantly Christian, continued their battle over the disputed area of Nagorno-Karabakh in early January. On Jan. 8, more than 5,000 people took part in a demonstration against Armenian and Azerbaijanis, and at least one person was killed.

Meanwhile, the Kremlin faced a dramatic challenge from the Baltic republics of Lithuania. Last month, the republic's legislature voted to abolish a Soviet law giving the Communist party a monopoly on power. Then, the local party declared itself independent from the national party. A closely distanced Gorbachev was expected to fly this week to Vilnius, the republic's capital, to try to repair the link. So pressing were Gorbachev's domestic problems that he postponed all visits by foreign politicians this month, although foreign ministry spokesman Gennadi Gerasimov attributed the action to the Soviet leader's "tight schedule."

Whatever the case, Soviet officials were clearly concerned about the southern Caucasian republics of Azerbaijan, Armenia and Georgia. All three have been the scene of recent, large-scale nationalist demonstrations

and have long histories of conflicts between ethnic groups. And the means by which they disagree are increasingly sophisticated—and lethal. Last month, in Georgia's capital of Tbilisi, police arrested two men selling three-



An Azerbaijani in heated debate with leader, Gorbachev (below), in Nagorno-Karabakh

inch-long, West German-made cylinders of deadly poison gas to nationalist groups.

The rivalry behind such ethnic tensions is complex. In the early 1980s, Russia entered Azerbaijan after declaring Persia, as Iran was then called, as there was New Soviet Azerbaijanis—there are seven million in all—estimate that up to 30 million Armenians share their religious and ethnic background. In recent

centuries, many Azerbaijanis claimed that their centuries-old language and cultural traditions have been ignored or eradicated. But recently, the republic's legislature, which is traditionally elected to Moscow, has showed increased use of the old Arabic alphabet that was suppressed in 1939 in favor of the Russian Cyrillic alphabet. Last week, the legislature also said that it has restored the original names of several cities and regions that were changed in the decades after the Russian Revolution of 1917. Still, many Azerbaijanis argue that the Kremlin, along with the republic's 580,000 ethnic Russian residents, has played too dominant a role in their steps. Said Muhammad Nakhvi, another Popular Front organizer: "The Azerbaijan people do not need any help

from Moscow in deciding how our lives should be lived."

Further demonstrations within the republic appear warranted. Although the arrival of non-Communist leaders helped to calm last week's protests, the Moscow-based newspaper *Rabochaya Pravda* said that rumors had declared a readiness against border guards and state facilities. And there were reports that turmoil was spreading to other parts of the republic. The Popular Front's Beyranov was openly defiant of government efforts to stop the protests. "If the authorities have the power, they should use it," he declared. "If not, the people will solve their problems themselves." Clearly, the nationalists were influenced by a body of rebellion and demonstration that was widely in place. Gorbachev has now been to visit.



ANTHONY WILSON-SMITH in Moscow



The Kharg 5 (above); workers every inflatable boom used to slow the oil slick's advance towards shore; favorable winds

## NORWCCO

## Fear of the black wrath

A massive oil spill threatens disaster

It was clearly a massive oil spill. The huge Iranian super-tanker *Kharg 5*, carrying 270,000 tons of Iranian crude, was plunging through international waters west of the open ocean, warm waters—about 15°C—and huge waves helped to break up the slick.

As a result, the oil, even if some oil does reach shore, it will be relatively easy to clean

dumping its crude about 112 miles offshore, said Keren Cohen, publisher of the Massachusetts-based *Oil Spill Intelligence Report*. In the open ocean, warm waters—about 15°C—and huge waves helped to break up the slick.

As a result, the oil, even if some oil does reach shore, it will be relatively easy to clean



up. "There is always an impact," Cohen added. "But as far as serious environmental impact, not yet." Still, French Environment Minister Jean-Louis Merle, who flew to Morocco last week to oversee an international salvage operation, said that, if winds change, the spill might get more close to shore. Declared Laidan: "A catastrophe can still not be ruled out."

While salvage crews battled the slick, con-

tinuing evaded even the remotest of the *Kharg 5* and the two-week delay in beginning the cleanup operation. It was only last week, after the *Kharg 5* had drifted to within 47 miles of the coastline, that three tugboats from a Dutch salvage firm began towing the damaged tanker towards shore, toward Cape Verde. There, another Iranian tanker was expected to unload the *Kharg 5*'s remaining cargo.

Laidan said that, although the Dutch firm, Sent Tek International, and its salvage vessels from Rotterdam immediately after the spill, real time was lost while the company "haggled" with Iran's national oil company about the price for the salvage operation. For their part, company officials argued that the Moroccan and Spanish governments hampered the salvage operation by refusing the firm permission to tow the vessel closer to shore for emergency repairs.

The *Kharg 5* itself has a troubled history. During the Iran-Iraq War, Iraq jets bombed the ship three times. The action damaged its center tanks, according to Richard Gold, publisher of the Massachusetts-based *Oil Spill Intelligence Report*. And last week, Dutch leaders reported that authorities in the Netherlands had seized three other ships of the *Kharg 5*'s over the past 14 months for failing to meet international safety standards.

Last week, the Moroccan government threatened to file a lawsuit against Iran's national oil company. And a French court group, the *Union des Industriels Français*, reported to European and North African countries to sue Iranian ships from their waters, claiming that Iran had not raised important maritime safety concerns. The Iran's oil minister, Gholamreza Asgari, denied charges that the *Kharg 5* had been defective. Said Asgari: "Insurance experts have inspected the ship and confirmed that the claims are not true. The current news campaign is mostly aimed at scuttling the case." Despite these protests, at week's end Iran had still not explained what caused the explosion aboard the *Kharg 5*. And Morocco was still battling to escape the black wrath of the resulting spill.

MARY KEMETZ with TASS AGONY in Madrid



# AUTOMOTIVE SHAKE-OUT

Just last month, Jeffrey Spence was leaving factory floors for Christmas and a new decade promising even greater prosperity. A \$25,000-a-year assembly line worker at General Motors (GM) of Canada Ltd.'s Oshawa, Ont., operation, Spence owned the nearly loose car he shares with his wife and two stepchildren. But on Dec. 3, Spence, 27, became a victim of North America's declining auto-sales market. He received a notice telling him that GM would be shutting down his plant for the first week of January. The company explained that the temporary layoff would help to clear a huge backlog of unsold cars and trucks. A week later, GM extended the layoffs by another week. Then, a few days before Christmas, another shocking Christmas shutdown. Spence learned that the layoff had been extended even further, to four of its five assembly plants in Ontario and Quebec, affecting 17,680 employees. Now he is not scheduled to return to work until Jan. 22.

Spence's "Saggingly, it's not a surprise of workers' and producers' heads of cars—anywhere from two months to shutting down the plant altogether."

After six years of near-record sales, a long-extended oversupply crisis has finally hit the so-called Big Three Detroit-based automakers—General Motors Corp., Ford Motor Co. and Chrysler Corp. At the same time, sales of imported and domestically built foreign cars continue to climb. That was confirmed last last week when the Big Three, who employ more than 500,000 assembly workers in North America including 60,500 in Canada, released their final 1989 sales figures showing a dramatic 7.7-percent drop in their North American car and truck sales from 1988. While domestic automakers blame high interest rates in part for sluggish sales, Japanese imports are continuing a decade of strong growth and are steadily taking over an ever-larger share of the total market. In fact, Canadian sales of vehicles built by Japanese-owned manufacturers in-

## A GLUT OF UNSOLD CARS AND FOREIGN COMPETITION FORCES DETROIT'S AUTOMAKERS TO HIT THE BRAKES

cessed by 7.7 per cent. And while the Japanese car exports 14 car and truck plants in North America, the domestic manufacturers complain that they are still largely assembly operations using made-in-Japan parts. Indeed, in Canada, they employ less than 2,000 workers at their lone plants that officials for the

Japanese manufacturers promise that employment will rise as they buy and build more of their parts in North America.

For the moment, many economists express concern that, if the plant shutdowns are extended, the effects may soon be felt in other sectors. Thousands of Canadian jobs in areas such as steel fabrication and auto parts are now dependent on a healthy domestic auto-manufacturing sector. And the outlook, for this year at least, is bleak, with even big Three industry spokesmen expecting continued slow sales throughout the year. In fact, 45 of 47 Big Three plants across the continent will shut down at various times this month, affecting more than 300,000 workers.

Analysts blame overconfidence by the Big Three for some of the current problems. When domestic auto sales began to slow last January, the Big Three continued building more vehicles than the market could absorb and desperately tried to increase sales by offering consumers with large cash rebates and low-interest financing. Some dealers offered such incentives as 10-cent holidays, three balloons for children and even free sales of beer with each car sold in an attempt to lure customers into their showrooms. Still, the aggressive push for market share has failed to open sales and stop the



Toyota's new Lexus sedan is held in demand on the profitable luxury market.

consumer shift to the Japanese competition. Sales of the Toyota Camry, for example, fell 10 percent in the seventh-month year, while the Camry, from last year, a week of shutdowns here, or a week there."

Overall, the auto industry in North America is still relatively healthy. While total North American car and truck sales declined six per cent to 3.8 million vehicles last year, it was still the seventh-best year on record. The Detroit-based auto analyst Arvid Jansson said that manufacturers and dealer inventories are partly responsible for that sales number, which masks a decline in the fortunes of the Big Three. He added, "Not even early shipments in the 1990 models could turn the market around." For their part, Japanese vehicles are leading the pack. In a dramatic sign of the growing popularity of these cars, for the first time last year a foreign car—the Japanese Honda Civic—was the best-selling model in the United States. Meanwhile, across North America over the past two years, the Big Three have closed eight plants, while Japanese and Korean-owned manufacturers have opened nine plants.

The Big Three automakers are not expecting an upturn until 1991. And even then they say that Japanese and other foreign-owned manufacturers will continue to lure buyers away from the American companies. Since 1978, the Japanese have increased their share of the North American car market to 26 per cent from 18 per cent, through competitive pricing and by convincing consumers that their product is superior to that of domestically owned manufacturers. Undersold by the car-

rent overall downturn in auto sales, they are aggressively keeping ahead with plans to increase their capacity to 3.7 million vehicles per year by 1994, up from 3.3 million last year.

And encouraged by their success in selling smaller cars, the Japanese automakers are now pushing into the lucrative luxury-car market. With the introduction to North America of Toyota's Lexus and Nissan's Infiniti, Japanese producers have begun a bid assault on the last segment of the car market that they have not yet invaded.

That could create serious problems ahead for the Big Three. According to a report released last year by the auto industry's U.S. auto-market research firm, Autodata Inc., North America's auto industry now has the capacity to produce 2.2 million more vehicles than it can sell. And unless six or seven plants close, Autodata predicted that the excess will remain until 1994. The report also estimated 100,000 potential car dealers over the next five years, including a GM of Canada assembly plant in Brampton, Ont., and a Chrysler plant in Brampton, Ont.

Secondly, report was released, some of those factories have already become casualties. Last October, GM announced that it will phase out van production at the Scarborough plant, which employs about 2,700 workers, by 1991. And next month, Chrysler will permanently shut down its Jefferson Avenue plant in Detroit and phase out its line of small Orion and Horizon cars. Still, Nissan (Nissan) Class, 42 who reported as president of Chrysler Canada Ltd. on Dec. 31, declined in a recent interview to

## Business Notes

### BALLARD ALIBI

The board of directors of Maple Leaf Canada Ltd. of Toronto took control of the company after president and major shareholder Ronald Ballard was hospitalized with a recurrence of his heart and kidney problems. The 56-year-old Ballard, whose 49-percent holding at Maple Leaf Canada is worth more than \$130 million, was admitted to hospital in the Cayman Islands only hours after falling ill. He is scheduled to be treated in the Cayman Islands. Ballard, the vice chairman of the company, was later transferred to a Miami hospital for treatment by a team of U.S. kidney specialists. A Canadian spokesperson said the directors decided to assume control over the Toronto Maple Leaf hockey club and the seven stockholders of the club.

### CAMPBELL SHARES SEIZED

The National Bank of Canada has arranged to take the second-largest shareholding in Campco Corp., behind the Woodman family, after owning more than 13 million shares, which Robert Campco had used as collateral to secure an estimated \$180-million loan two years ago. Meanwhile, the New York City-based Citicorp has extended total interest this week to \$100 million. The bank's interest in the company is now \$100 million. The bank's interest in the company is now \$100 million. The bank's interest in the company is now \$100 million.

### BROKERAGE BUY-OUT

Windsor's Gundy Inc. has bought the retail sales division of the U.S.-based brokerage firm Merrill Lynch Canada Inc. for an estimated \$100 million to \$140 million. The deal adds 685 employees to Gundy's staff of 1,900, making it Canada's largest brokerage house.

### JEWELLERY POST FLOOD ESCALATES

The *Jerusalem Post* documented 20 reports after they said that they would stop reports without the paper's owner, Toronto-based Hirschman Inc., controlled by businessman George Black, documented problems. The paper's owner, Hirschman, is the publisher of the *Jerusalem Post*. The paper's owner, Hirschman, is the publisher of the *Jerusalem Post*. The paper's owner, Hirschman, is the publisher of the *Jerusalem Post*.

### RETIRED FUND

John Labatt Ltd. of London, Ont., has been ordered by the Liquor License Board of Ontario to give \$400,000 to alcohol and drug rehabilitation charities after admitting that it gave owners discounts to promote its beer.



Spence at GM's Oshawa plant layoff means "from two months to shutting down the plant."

speculate on whether or not any of Chrysler's five Canadian factories, employing about 25,000 people, may be sold. But he added: "Let's not talk ourselves. Some plants are going to close."

Manufactures from the slowdown are already spreading through the rest of the economy. The first to be hit by layoffs are some of the 85,000 Canadians employed by auto-parts manufacturers here, 90 per cent of which are in Ontario. According to Stephen Van Houten, president of the Automotive Parts Manufacturers Association of Canada, at the time of last month's layoffs announcements orders for new parts were already lagging about 20 per cent behind their level of a year ago.

Until last month, however, the Big Three continued to try to sell their way out of trouble with subsidies and low-interest financing programs. But now, they say that the incentives are seriously cutting into their profit margins. Scott Parli's Harman. "You're got to get in there and be competitive. But we don't see how we can do it, frankly."

But while the competitive free-for-all is squeezing manufacturers and dealers, it is producing huge savings for consumers. According to Donata Desrosiers, president of Toronto-based Desrosiers Automotive Research, North American car buyers can now choose among more than 600 models, compared with about half that number a decade ago. And even if sales recover in the mid-1990s, Desrosiers predicts continued price competition, particularly as the Japanese and other foreign-owned manufacturers expand their North American production.

For their part, the Big Three, as well as the North American parts producers, claim that the Japanese transplant are few North Ameri-

This widespread use of imported parts allows the Japanese essentially to transplant cars, which requires fewer workers than a manufacturing operation. That may change if the foreign-owned manufacturers raise the amount of North American content in their cars in future.



Close: "Let's not kid ourselves. Some plants are going to close"

as they have promised. The Japanese add that their plants, which are largely automated, are more productive than their North American counterparts because their workers are organized in teams, which blur the distinction between labor and management, with workers performing much more specialized tasks. But most leaders say that they are impressed by management's motives. Said Canada Automobile Workers Union research director Sami Gaidin: "We are going to fight if the reason

is an opportunity for advancement."

Meanwhile, owners of the Big Three are trying to regain the leadership in innovation that for years allowed them to dominate sales around the world. For its part, GM, in an effort to halt a drop in its U.S. market share to 35 per cent from 44 per cent over the past decade, is scheduled to open a huge plant this summer in Spring Hill, Tenn. It will manufacture the new compact and subcompact Saturn cars, the design of which car has not yet revealed to the public. In addition to having the most up-to-date robotic technology, the plant will also use the team concept. And last week, in another effort to maintain his company's ending level, car chairman Roger Smith unveiled his prototype of a new electric car as a sign of his company's technological standards. He said that GM will not produce the two-seater until battery technology improves.

Still, as the Big Three regard to the Japanese challenge and demand prospects for their own sales, most analysts agree that all three of them are better prepared to withstand the sales slump than they were during the mid-1980s. At that time, Chrysler had to be rescued from bankruptcy by the U.S. government and Ford also lost billions of dollars. But, for the moment, further cutbacks and layoffs by the Big Three appear to be inevitable. And as the car buyer looks it to clear that consumers will emerge as the only real winners.

JOHN DALL with MICHAEL MARSHALL in Toronto



## The English head of a Hong Kong empire

BY PETER C. NEWMAN

Simon Murray is one of those rare world citizens for whom the globalization of business was inevitable. A fully employed 46-year-old Englishman with a lively manner and a maintenance man's eyes, he left his engineering firm at age 19 to join the Foreign Foreign Legion. "I was a trainee in Manchester and very good," he recalls. "There was also a lot of a girl that attracted. I was actually trying to join in a Gurkha regiment, but it seems I was selected, which made it very difficult. One Sunday morning, I was watching a rugby match between France and England, and by Sunday afternoon I was in the Foreign Legion. Two weeks later, I was posted to Algeria, and that's where I stayed for 4½ years. Happened very quickly."

After a few temporary jobs at Sanderson, Murray moved to Hong Kong in 1969 and spent the next 14 years with the historic engineering company, J. & W. Benson. He was eventually promoted head of that powerful "long" engineering division and later placed in charge of its European trading arm. Recalled by his former boss, Mr. Benson, "I was a managing director for 10 years, but I never collected more than 100 companies that make up Wipac's Wholesome Ltd., Ltd. My main holding company. As a co-owner of Wipac Ltd., the Calgary oil plant in which the British company has a 49-per-cent interest, Murray occasionally visits Canada, and it's a feeling of these recent years that I caught up with him in Vancouver."

The events in Beijing's Tiananmen Square on June 4, which we thought were pretty outrageous, weigh heavily on all of us in Hong Kong," he told me. "And of greatest long-term concern have been the economic consequences, with a stagnation of the Chinese leadership to some of the attitudes prevalent during the Cultural Revolution. What we're seeing is much difficulty accepting in their own theoretical stability can only be maintained by a grip of iron, as opposed to something more

### A confident Simon Murray manages Li Ka-shing's billions, as the Crown colony prepares for reunification with China

open and flexible. The Chinese are sort of saying that Tiananmen over happened, trying to pretend it was a small event."

Looking ahead, Murray says that the character of the 1990 return of Hong Kong to China, ending the colony's 150-year British colonial status, will not be decided by its own citizens or by the British, but by the Chinese. Murray predicts that over half a million immigrants may leave Hong Kong during the next half decade. "Inevitably," he adds, "the guys who are leaving are the guys who have the qualifications to get adequate employment, the guys who are 35 years old, have two children, and are making it in business—the small entrepreneurs who are so vital to our future. And with them goes their money. In the past eight months, some \$2.5 billion has moved in Vancouver. No economy can withstand that kind of leakage of capital over an extended period."

If Beijing doesn't move more carefully it could end up taking over a hollow shell, says Murray. He adds that, "On the other hand, they could move in to restore the confidence they shattered on June 4. But it's difficult to start that process going when they still refuse to admit that the army got out of control or

promote to set things right. We can't help but feel terribly uncomfortable, knowing that if it happened once and they don't find it was a mistake, it can happen again."

He adds that it is critical that "we find some mechanism to ensure that these people and their funds stay. The solution is to give them valid passports, not as they leave, but so they have the security of knowing they can leave if the situation deteriorates. There is no place in the world where you have a passport to stay." Murray approves of Canada's relatively open-door policy, as opposed to the British position of denying automatic entry to Hong Kong colonials. But he would like Canadian immigration officials to be able to claim right away. If they have lived in Hong Kong for three years, then the visa-holders should be able to come to Canada any time they like, without time constraints.

As well as the British Crown colony where his boss, Li Ka-shing, estimates 80 per cent of his assets, Murray views Hong Kong as the linchpin by which the international business community keeps a check on the economic policies of China. He analyzes the colony's future as a global commercial deal, with all those parties involved—China, Hong Kong and Britain—set to potentially generate billions of dollars if the current problems are resolved. China-Hong Kong trade has grown by 1,500 per cent over the past decade to \$40 billion, while Britain adds Hong Kong goods worth \$2 billion a year, a trade expanding at a compound of 5-year-over rate annually. But the political tensions facing Hong Kong are so acute that even over half a decade could jeopardize the peaceful transition. Despite the mounting clouds, Murray points out that it is in the self-interest of all these participants to keep trade healthy and maintain that, despite world attention having recently been focused on Europe, the Pacific remains the world's fastest growth region.

"Europe has a fancy way of historically getting its knees up at a time," he says. "Mrs. Thatcher didn't want to get into a common monetary scheme, but she would have been arguing over something by the time we get to 1990."

Murray's views are important because as one of Hong Kong's younger and most powerful men, he has long been seen as the man who will shape the colony's future. He recognizes China's main problem on precisely the opposite of the Soviet Union's. The Chinese attempted to stage an economic revolution without accompanying political reforms. "They found that trying to keep policies out of their limited attention to focus on a real economy didn't work," Murray says. "If you give you a much greater freedom to run his business, you're also giving him the freedom to get up on Saturday and do what he wants. That's called political freedom."

It is this freedom that Hong Kong carries on doing what it's best at—manufacturing, generating wealth, marketing, promoting services and commitment for local people and the international community and being the ultimate playground to China.



car parts and that some government regulations allow them to escape import duties, giving them a built-in cost advantage over their domestic rivals. Said Chrysler's Close: "By and large, the transplants simply bring in the packages from some place else and sell them together."

For these two reasons it is to weaken the sales, to try and put more government pressure on workers to go in each other and to get (possibly) less depends up." Still, many workers say they prefer the Japanese system. Dwayne Chertoff, for one, a 35-year-old engine assembler in Toyota's Cambridge, Ont. plant, who worked



The desert had proved fascinating, but predictably lacking in creature comforts. Enough of the rough. Now it was time to answer the summons. "Take me to the Hilton." What a wonderful thought! A cool, breezy room. A clean, very nice pool. And that special attention that was somehow unique in the Hilton personal, pleasant and

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# DANGER IN THE WATER



**MANY CANADIANS ARE EXPRESSING A GROWING CONCERN ABOUT THE WATER THEY DRINK AND USE**

**I**n February, 1989, Emily Gallant, who owns a beauty salon in Tignish, P.E.I., 100 km northwest of Charlottetown, noticed that the water from taps at the salon was yellow. Gallant sent a sample to the provincial environmental department, where government officials said that it was free of bacteria and fit to drink. Still, Gallant worried, "I didn't feel right using it to wash my customers' hair." In August, provincial officials sent another sample of the water to a privately operated laboratory in Dartmouth, N.S. It reported that the water contained dioxin, a pesticide that is used on pea and potato crops. Use of dioxin, which can harm the fetuses of pregnant women, was banned in the United States in 1980 but remains legal in Canada. Still Gallant: "They said I shouldn't ever put my hands in it, let alone drink it." Provincial officials subsequently discovered that 23 privately owned wells in Tignish were contaminated by dioxin and advised homeowners to use alternative water sources while investigations looked for the source of the pollution.

Although their water is not as bad as that in Tignish, residents of many Canadian municipalities and experts are expressing many concerns about the water they drink and cook with. The reason, despite efforts to protect the environment, most Canadian governments still tolerate many industries and municipal sewage systems discharging pollutants into the nation's lakes, rivers and coastal waters. The discharges include raw sewage, industrial chemicals and airborne contaminants, which eventually are deposited in bodies of water. At the same time, the natural underground reservoirs, or aquifers, that provide soft water are being polluted by pesticides and agricultural chemicals, and by leachates from gaslines, oil and septic tanks and industrial chemical dumps.

**Food:** Given the amount of pollution in Canadian waters, some experts say that there is a pressing need for Ottawa to pass legislation to upgrade for the enforcement of natural standards for drinking water. As well, they say that most Canadian municipalities need to modernize their water treatment systems. Most existing systems are designed to remove bacteria, but they cannot effectively deal with many toxic chemicals. "Toxic levels are low now in drinking waters," said Craig Dolbow, a researcher with the Toronto-based Pollution Probe environmental organization. But, said Dolbow, a single toxic chemical spill "could render drinking water undrinkable."

By the time most water flows from Canadian homeowners' taps, municipal water systems have treated it with chemicals that make it safe for human consumption (page 38). Still, many Canadians say that they do not believe measures that their local tap water is safe to drink.



**Buying bottled water (left): industrial runoff: waste winds up in the sources**

According to a Gallup poll published last October, 98 per cent of those polled were concerned about the quality of drinking water in Canada. Anne Leffing, a pregnant 44-year-old who lives in Collège Heights, a suburb of Prince George, B.C., says that she does not know who to believe. "One set of experts told us there were dioxin in the water," she said. "But the government officials there was nothing to worry about." As a result, last August Leffing bought a water-cleaning device to use on her kitchen cold-water tap at home, joining the millions of Canadians who drink only bottled water or use filtering devices at home (page 36).

Part of the concern over water stems from the fact that scientists are now able to detect traces of some toxic substances in quantities as small as one part per quadrillion in question is a million billion. Tiny amounts of some substances, including industrial chemicals like polychlorinated biphenyls (PCBs) and dioxins, may not be harmful by themselves. But experts say that they can build up in the bodies of fish, which people may later consume. An independent laboratory analysis commissioned by Meridian's showed that a glass of Toronto tap

water contained traces of 26 substances, some of which are potentially toxic, including zinc, copper, arsenic and chlorofluorocarbons (page 34).

All the substances found in the Meridian's sample were within federal guidelines. Still, said Pamela Miller, a researcher with Pollution Probe: "We don't really know the long-term effects of drinking that stuff. It could cause developmental defects in the next generation."

**Toxic:** Disease over water quality has grown with the rising awareness of nonpoint pollution in many of Canada's major lakes and other waterways. The St. Lawrence River, the source of drinking water for about half of Quebec's 6.7 million people, as so polluted that beluga whales in the river are dying (page 38). In British Columbia, where six pulp mills dump an estimated 24,000 tons of potentially toxic chemicals into the Fraser River each year, the environmental organization Greenpeace has labelled the river the "happiest sewer line in British Columbia" (page 40). According to federal officials, industrial pollutants annually discharge an estimated 1.7 billion gallons of liquid waste into Canadian lakes and rivers, an amount equal to the water that flows

over Niagara Falls in a 30-hour period.

Environmentalists often critic charge that Canadian governments often tolerate pollution because they are unwilling to crack-down on industries that provide jobs and tax revenues. Indeed, Ontario government officials told Meridian's that surveys by Ontario's environment ministry showed that half of the province's industries and one-third of its municipal sewage treatment plants violated water pollution guidelines in 1988. In Quebec, Jean-Paul Letourneau, executive vice-president of the Quebec Chamber of Commerce, said that the provincial government would "never close down a plant if it is going to cost a community hundreds of jobs, no matter how badly it is harming the environment."

At the same time, many Canadian companies are waking up to the fact that environmentally acceptable products, and industrial practices, can be good for business. Officials at Toronto-based Laidlaw Companies Ltd. say that the supermarket chain is selling \$500,000 a week in products that are billed as environmentally beneficial, including recycled toilet paper and unbleached coffee filters. As well, Susan McLaughlin, editor of the Ottawa-based business letter *Environmental Eye*, said that some

## SOME GOVERNMENTS ARE CAUTIOUSLY MOVING TOWARDS A TOUGHER STAND

businesses will not cut down on pollution. "If I don't pay, or they're not forced to do it, I bet there are sector business executives at large firms who have developed a cancer." Such executives, and McGinnis, also believe that if these firms clean up, they can produce that "and have the potential for greater sales." For their part, some Canadian governments are cautiously moving towards a tougher stand on pollution. Ontario has embarked on a long-term program aimed at protecting the environment and encouraging its water pollution—set back positions after 1991. In Ontario, Environment Minister Les Bouchard announced last week that stricter controls governing pulp mills by pulp-and-paper mills would be introduced next spring. Bouchard said that the new regulations, aimed at eliminating dioxin and furan (suspected of causing cancer) from all discharges, would be phased in over five years. Still, environmental critics said that they had heard such promises before. "The fish talk a good line, but their performance has been less impressive," said Tony Viggo, executive director of the Toronto-based Canadian Environmental Law Association, an organization that helps citizens through legal action on environmental issues.

But in the U.S., highly publicized incidents during the past six months have heightened concerns over the quality of water serving Canadian homes. In November, for one, a faulty valve at a southern Saskatchewan uranium mine operated by Cameco, a firm jointly owned by the Saskatchewan and federal governments, caused a spill of 440,000 gallons of radioactive waste—enough to fill an Olympic-sized swimming pool. This earned a spot by the company and government agencies after the spill showed that the amounts of radium, nickel



Lafayette, playing it safe at home

and 300 tons of arsenochlorine into the Fraser River each day, many residents have expressed concern about water affecting their health. Although most of Fraser George's drinking water comes from the Nicola River, the suburb of College Heights draws water for its well system from an intake near the Fraser

River and just downstream from the pulp mills. Dr. Robert Delton, a Prince George physician who lives on a farm about 15 km east of the city, said that a study carried out three years ago by the Prince George Public Health Unit indicated that the rate for certain types of cancer in the area could be as much as 40 per cent higher than the provincial average during the period from 1986-1993.

**Cancer.** In the case of the continent, North America's largest source of drinking water, the Great Lakes, stands in a shocking spiral of pollution and a gradual slide. Scientists say that just U.S.-Canada efforts to clean up the lakes, which provide water for millions of people on both sides of the border, have made them less polluted than they were a decade ago. But despite that, levels of mercury, lead, pesticides, PCBs and other toxic substances in the lakes still exceed U.S.-Canada "water quality objectives" in 42 so-called areas of concern—17 on the Canadian side of the border and 25 on U.S. shorelines. As well, scientists say that sediment and silt in the lakes were contaminated by more than 280 toxic chemicals, some of which, including PCBs and dioxin, can accumulate in the fatty tissue of fish because of contamination. Ontario government experts say that people may risk cancer if they eat certain levels of Great Lakes fish more than once a month.

Alarming in itself, the spectacle of treated drinking-water sources also serves as a powerful symbol of the transnational contamination that is widespread in Canada. And environmental critics believe governments across the country for turning a blind eye to the discharge of toxic waste. "The shocking part of it is that they do this by government permit," said Ken Milne, policy director of the Ottawa-based Friends of the Earth environmental organization. "In essence," added Milne, industries "are being given licenses to pollute."

Most environmentalists say that Canada's pulp-and-paper mills are among the worst offenders. According to Victor Shattuck, director of industrial programs for Environment

Canada, the mills discharge a total of 2,777 tons of effluent, some of it highly toxic, every day. A confidential report completed by Environment Canada last year and published in *The Observer* said that some of the mills could have prevented 1973 discharges of pollutants requiring mills to clean up their effluent were strictly enforced.

In southeastern Ontario, government officials admit that much of the toxic waste generated by industry is probably winding up in water. Edward Turner, a senior official in the Ontario environment ministry, said that about 15,000 Ontario firms probably

business "All we know is that it went into somewhere in the cycle between the producers and the eventual disposal." Charbonneau said that some of the missing waste was probably dumped in the St. Lawrence River.

In many parts of Canada, municipalities contribute to water pollution by dumping untreated, or partially treated, sewage into rivers and lakes. In Quebec, only 25% of the province's 1,500 municipalities have sewage treatment plants. Less than half of Montreal's sewage is treated, and the remainder is still dumped, untreated, into the St. Lawrence River. In Ontario, about one-third of the province's munic-



Washed into Little River as Windsor, Ont. many industries violate guidelines

ality dump chemicals into municipal sewer systems. Because sewage plants are not designed to treat certain chemicals or heavy metals, and Turner, the substances may eventually be discharged into the nearest body of water. Later, those substances may turn up in drinking water.

**Shoppers.** The situation in Quebec is equally alarming. The province has some of the toughest environmental laws in Canada, with provision for fines ranging up to \$1 million a day for certain offences. But environmental critics say that the province makes little effort to enforce its laws. Last October, a commission under Yves Charbonneau, a former union leader, reported that in 1987 fewer than half of the 3,300 companies that are required under law to report hazardous waste production in fact complied. The commission, which was headed by a former leader of the Ontario Liberal government, issued a report in October that reported that it could not account for 394,000 tons of toxic waste produced that year in a Quebec. Said Char-

bonneau, "All we know is that it went into somewhere in the cycle between the producers and the eventual disposal." Charbonneau said that some of the missing waste was probably dumped in the St. Lawrence River.

Environmentalists argue that, unless governments are willing to get together with industrial polluters and municipalities, water pollution will only grow worse. Louis Gossin, a member of the Ottawa-based Canadian Environmental Advisory Council, said that Canadian governments "are often more interested in negotiating with major industrial polluters than in prosecuting them." Canadian governments, and Friends of the Earth's Milne, are often too accommodating to industries that threaten to shut down every time they hear the word "regulation."

Now there is evidence that Canadian governments are gradually taking stronger stands against polluters. In Ontario, Premier David Peterson's Liberal government launched a program in 1988 to monitor effluent discharges from 350 companies and 415 municipal waterworks plants as part of a long-range cleanup cam-

pany. Later this year, Ontario government officials plan to begin talks with industry-led ways of cutting back on pollution. Said the provincial environment ministry's Turner: "The idea is of what is economically achievable on the railway. We cannot force people out of business."

A stricter attitude towards polluters is already in evidence in Ontario. In 1988-1989, the province took 343 polluters to court and gained compensation against 176 firms, while the courts levied fines totaling \$1 million. In November, Ontario became the first province in Canada to put a corporate cost incentive for pollution-related offences. Sen. Stephen, owner of a Toronto microchip company that periodically dumped toxic waste into the Lake Ontario's sewer system, was sentenced to six months in jail for ignoring a court order to stop dumping pollutants. His company, R.E.S.T. Plating Shoppe Ltd., was fined \$200,000.

**Effluent.** For their part, federal environmental officials said that the new regulations aimed at reducing pulp-mill emissions would be introduced in the spring under the 1988 Canadian Environmental Protection Act. Environment Canada's Shattuck said that as many as 300 violations, including dioxin and furan generated by the chlorine bleaching process used to certain types of pulp and paper, would be covered under the regulations. As well, mill operators would be required to collect effluent from their mills and send it to its water-treatment system.

Still, Julia Langer, executive director of Friends of the Earth, and that the effect of the new regulations would be undermined if Ottawa, as is expected, allows the provinces to assume responsibility for enforcement. Ottawa's Langer, in "making it an opportunity for us to take advantage of public opinion" and to crack down on water pollution by mill operators. For his part, Shattuck said that Ottawa would bear some responsibility in the provinces if they were willing to consult themselves in enforcing provisions. "We are not on the federal responsibility," added Shattuck. "Our objectives will be set out and open to public scrutiny. The trouble is, the public wants something done about the environment yesterday."

On one side, at least, the gap towards regulated water and a cleaner environment will involve difficult decisions about the costs that will have to be borne by industries, and society at large. According to Denis Dore, Ottawa's director general of inland waters, the ultimate goal must be "zero discharge of toxic substances." But he added, "We cannot turn off the pollution tap overnight." Given that health reality, Toronto's headmaster Glen Gulland, and the thousands of other Canadians who have had accidents with tainted water, may never lose the same hope. Canada's most abundant resource.

MARK NICHOLS and HUGH JENNIN  
with corresponding reports

## A GLOSSARY OF CONTAMINANTS

At various times, analysts can detect traces of hundreds of toxic substances in Canadians' drinking water. Among the contaminants that have been found in various places, and their potentially harmful effects:

**Arsenic.** A poisonous chemical element used in pesticides and fertilizers, arsenic can cause acute afflictions of the stomach in humans, leading eventually to death. A previous report connected it with cancer. It may also cause skin diseases, and it may indirectly harm the developing fetus.

**Chlorofluorocarbons.** Commonly found in drinking water as a byproduct of treatment process-

es involving chlorine, chlorofluorocarbons can cause liver damage in humans. **Dioxins.** A family of sometimes deadly substances, many of which are produced by chlorine processes used in bleach used by pulp. Dioxins can accumulate in the body, damaging the thyroid and liver.

**Polycyclic aromatic hydrocarbons (PAHs).** Compounds produced in various industrial processes, such as the bleaching used in the pulp-and-paper industry. A suspected carcinogen. **Lead.** A heavy metal that can accumulate in the body and cause irreversible damage to the central nervous system.

**Mercury.** Widely used in industry, mercury is a toxic metal that can accumulate in fish, making it a key hazard in consumption. Lead. Ingestion of mercury-contaminated food can damage the nervous system. **Organochlorines.** A class of organic materi-

als, including dioxin and furan, chlorofluorocarbons and herbicides (PAHs). Chemically inert, PAHs are widely used in solvents and in materials in electrical transformers. PAHs can accumulate in the human body and cause skin diseases, liver and nerve damage.

**Polycyclic aromatic hydrocarbons (PAHs).** The product of combustion in industrial processes, PAHs can accumulate in the fatty tissues of the human body and are suspected of causing cancer. **Polychlorinated biphenyls (PCBs).** A petroleum product used in the manufacture of chemicals and dyes, PCBs are suspected of causing cancer in humans.

**Polychlorinated biphenyls (PCBs).** A petroleum product used in the manufacture of chemicals and dyes, PCBs are suspected of causing cancer in humans. **Polychlorinated biphenyls (PCBs).** A petroleum product used in the manufacture of chemicals and dyes, PCBs are suspected of causing cancer in humans.

# ASSESSING THE HEALTH RISKS

## WATER CONTAINS TRACES OF TOXINS

Ever when the tap water in many Canadian cities is considered safe to drink, it may contain traces of more than 800 pollutants. Last month, Maclean's commissioned Mississippi, Ontario-based Water Laboratory Ltd. to analyze a sample of Toronto tap water. Maclean's found that the water contained traces of 30 minerals and chemicals. Some

The analysis carried out for Maclean's detected the presence of more substances, including chlorine, copper, iron and zinc, that are beneficial to the human body in small amounts. The analysis also showed that the water contained low levels of strontium and barium, substances that most health experts would consider dangerous in higher amounts. MBL said that the most significant measurable

health risk in Toronto tap water lay in the trihalomethanes present. The Maclean's analysis showed that Toronto tap water contained 5.30 parts per billion of chloroform, 5.03 parts per billion of bromochloromethane and 2.79 parts per billion of dibromochloromethane. All three are members of the family of chemicals that are formed by the interaction between the chlorine used as a disinfectant in water and organic materials.

The quantities of the three trihalomethanes found in the water sample tested for Maclean's were all well within federal limits. But MBL said that studies in the United States had shown that there is a slightly elevated risk of cancer among people living in areas where drinking water is chlorinated. He and other environmentalists have proposed alternative disinfectants, including a process using ozone gas, which has fewer, and less toxic, byproducts than chlorine. Sam Milgrom, "There is no need to substantially put a toxic chemical into our drinking water." Kenneth Roberts, managing director of the Ontario Ministry of the Environment, said that chlorine is the most effective disinfectant and that its byproducts are not considered a health risk.

**Minerals:** As well, analysis in recent years involving more sophisticated techniques than were used in the Maclean's analysis test have revealed other potentially dangerous substances in Toronto tap water. They included such minerals as chromium, cyanide, lead and mercury, as well as pesticides and polycyclic aromatic hydrocarbons, which are suspected of causing cancer. Although the polycyclic aromatic hydrocarbons, for which there are no Canadian standards, were within designated tolerances, given when the chemicals found in drinking water are within official safety limits, some scientists say that the chemical mix could pose a health risk. "We don't know what the long-term effects are or what the synergy among the chemicals is," said Glen Macrae, a consultant who has worked for the public health department for the City of Toronto. "And there isn't much science to go on." Although Roberts agreed, he added that "most of these standards are not set in isolation."

Scientists also point out that existing technology cannot detect all of the pollutants that can be present in water. Indeed, some scientists estimate that there are more than 60,000 chemicals in the environment, and that as testing technology improves, many of them will probably be found in tap water as well as some bottled water. Sam Rogovin, "When our equipment becomes sensitive enough, we'll find everything." But for now, Roberts said that nothing known to science, including the concept of drinking water, is 100-per-cent safe. "Your chance of a health hazard may be one in a million," said Roberts. "But there is always a chance. How safe is it when you cross a road?" Clearly, while the water that flows from Toronto's taps is considered safe to drink, the public has the right to know what is in it and to be questioned.

SHARON DOYLE DREDDGER

## HIDDEN CONTENTS IN A GLASS

Analysis revealed these chemicals in Toronto water. Some are potentially hazardous.

barium  
boron  
bromochloromethane  
calcium  
chloride  
chloroform  
copper  
dibromochloromethane  
fluoride  
iron  
magnesium  
manganese  
nitrate  
nitrite  
potassium  
selenium  
silicon  
strontium  
sulfate  
zinc



Health: Sir, Dr. Milgrom, policy director for the Ottawa-based Friends of the Earth environmental organization, for one, said that Canadian limits for some suspected toxic or cancer-causing substances in water are "scandalously high." In some cases, said Milgrom, the standards set by Ontario's Department of Health and Welfare, are "totally in the Dark Ages." They err on the side of conservatism.

# SCIENTIFIC SAFETY NETS

## HOW TREATMENT CAN REDUCE RISKS

During the 1960s, tens of thousands of Canadians died from children, an acute bacterial infection of the intestines. Children disappeared almost entirely in the West during the 20th century after scientists discovered that the bacteria were as easy to grow in treated drinking water. As a result, governments began investment programs. Locally, methods were simple, involving merely filtering the water of relatively large impurities. Now, most large cities in the Western world not only filter their water, but also disinfect it with chlorine and other chemicals to kill disease-causing bacteria.

**Screen:** The procedures for treating water before it reaches consumers vary depending on the source. River water, such as the sewage-contaminated water from the North Saskatchewan River that is used by Edmonton residents, usually requires extra treatment. Because it is "hard"—meaning that it contains high levels of calcium and magnesium, making soap difficult to lather. Water for children residents comes from Poonchuck Lake, 24 km northwest of the city limits. The provincial department of lands and forests owns all the land surrounding the lake and does not permit any houses to be built near it or sewage to be dumped about. As a result, according to John McCarthy, a water treatment technician at the facility there, the process needs less chemical treatment. Sam McCarthy, "The raw water is of good quality, it is a little easier to treat."

For its part, Toronto has one of the most sophisticated treatment facilities in North America to serve its 3.6 million customers. Four filtration plants draw in raw water from Lake Ontario and convert it into 300 million gallons of drinkable water every day. In the plant's entire life, the water is sprayed with a small amount of chlorine-killing chlorine and the coagulant aluminum sulphate, known as alum. In the next stage, mechanical screens strip up the material, causing the sludge to turn into a so-called floc, a fluffy, gelatinous mass that carries an electrical charge and magnet-

ically attracts such small particles as fine clay and algae in the water. The floc, with the impurities clinging to it, settles into a basin. Pumps then push the water through to a filtration process that is supposed to catch whatever the floc has missed. Toronto uses a system called "dual media" filtration. The water seeps down through two layers of granular material. The top layer is about 12 inches of anthracite, a coarse, granular form of carbon. Below that is a much finer layer of 18 to 24 inches of sand. During that stage, according to John Carewell, director of

Then, 3.2 parts per million of fluoride—roughly 1.7 tons per day—is added into the water, a step that most municipal governments gradually introduced in the 1960s to help prevent tooth decay. Finally, following disinfection, animals is added to the water to combine with the residual chlorine. That combination, according to Henry Jakubiec, process engineer at Oak Engineering Ltd. in Toronto, provides longer-lasting disinfection.

**Pollutants:** Water treatment systems like Toronto's are in use in Calgary and Winnipeg, and most across Canada are designed to kill



Edmonton plant: methods are sophisticated, but "there's always room for refinement."

the Toronto water supply bacteria levels in the water can be reduced. Sam Carewell, "It is virtually impossible to say that any processing will remove all bacterial pollutants. It will probably only reduce them."

**Disinfection:** In the final stages of the process, the water flows into large underground wells, where technicians subject it to what is called super-chlorination. That involves adding large quantities of chlorine, ranging from two to 10 ppm per million, to eliminate as much of the remaining bacteria as possible. If that requires so much chlorine that it gives the water an unpleasant taste or odor, sodium dioxide is added later to neutralize at least some of the chlorine after it has done its work.

potentially dangerous bacteria. But they are not capable of removing any of the natural and chemical pollutants now found in some Canadian waters. Currently, one of Toronto's four filtration plants is undergoing expansion, and officials say that, during the next five years, Toronto's entire system will be renovated and upgraded if necessary. The improvements would help the system tackle some of the chemicals and materials found in Lake Ontario. Although Carewell maintains that Toronto's water is among the best in Canada, he added, "There's always room for refinement."

NORA ESKERHOF with  
BARBARA WICKMAN in Toronto



## ALTERNATIVES TO TAP WATER

### THE MOVE TO BOTTLES AND FILTERS

The poster first appeared in his shelves and shopping bags last month. "Diss Chlorines, please stay off the bottle," it said. The message was not aimed at excessive alcohol consumption, but at consumers of bottled water. Paid for by the Toronto-based Canadian manufacturers of this bottle water-filter systems, the campaign was designed to convert bottled-water users to the firm's \$15 zip, which filters ordinary tap water. The advertisement, which appeared across most of Canada, was evidence of the intense competition that has sprung up among firms whose products are intended for people who do not want to drink water as it comes from the tap. It is a large and very rapidly growing market. Lauren Beechey, a Montreal lawyer, says that two years ago he and his wife, Francine Parkhill, "hopped drinking tap water because, even though the water in Montreal tastes great, it has chlorine in it."

Reviews of consumers like Beechey and Parkhill, and others who label themselves as the pollutants in tap water, the alternative water industry is booming in Canada. According to a 1989 study by Toronto-based Environ-

ica Research Group Ltd., about one in every six Canadian households now use either bottled water or a home treatment system to remove chemicals and other undesirable elements from their drinking water. In Montreal, where many residents are uneasy about the fact that the heavily polluted St. Lawrence River is the source of the city's drinking water, the rate is as high as one in every three households. In all, Canadian spend more than \$300 million a year to avoid drinking straight tap water.

**Convincers:** Still, federal officials say that back-to-the-roots bottled water can contain some of the same toxic substances as ordinary tap water. Federal investigators from the department of consumer and corporate affairs have won 12 convictions against dealers selling water-treatment devices for making false claims about their products. Typically, the unscrupulous dealers falsely claimed that their products would protect bacteria from forming in the filter bed and eventually poisoning the water.

Even such heated-water company executives as Robert Woodward, president of Al-

### Serving mineral water worries about chlorine

gonoma Springs Inc. of Toronto, said that they would welcome mass shipment of bottled water. He added, "We want to eliminate those individuals who think that all you need to have to sell bottled water is a well in your back garden." But his partner, Toronto lawyer Billy Robertson said that, at one time, the firm was almost as suspicious of bottled water and treated tap water as the water of ordinary water. Said Robertson: "My feeling is, who knows what is in it?" that also added that the water was also becoming pregnant.

The main concerns to bottled water and filtering devices include pregnant women, who often avoid tap water because of fears that the contaminants it contains could harm their unborn babies. A study of water-drinking habits carried out by the Toronto public health department last year found that many people who stopped drinking tap water were worried about the dangers of chlorine consumption, which has been linked in some studies. As well, other reports of tiny quantities of such dangerous substances as dioxins and furans in water have turned some Canadians against tap water. So have stories showing that mouse quantities of lead from plumbing fixtures in homes and schools can be present in tap water. Chlorine was particularly valuable to lead, which can cause neurological damage.

The bottled-water business has grown to sales of \$12.9 million last year from \$130 million in 1985. The cost for a family of four can be \$400 or more a year. But there are reasons other than health concerns for the increasing popularity of bottled water. Industry experts say that people who drink mineral water use it as a low-calorie alternative to soft drinks or alcohol. One of the United Nations' World Water Commission's report that Canada during the past year has been a leading low-calorie Australia report that combines mineral water from a Victoria spring with water that is 90 percent from a 10-metre borehole. Less mineral levels of spring water, which differs from mineral water that it usually has lower levels of minerals, occupy an equally competitive segment of the market, with one variation appearing—and sometimes disappearing—almost monthly on grocery store shelves and along home delivery routes. Sales of spring water in the United States for 30 per cent in 1988, Canadian consumers spent an estimated \$80 million for the privilege of drinking it.

The appeal of spring water for consumers living in highly industrialized areas is ac-

ceptable. It is water that comes naturally to the surface from underground sources, known as aquifers, which is beneath thick clay or rock formations that act as natural water filters. Radioactive dating methods have shown that some aquifers contain water that is 3,000 years old, meaning that it was formed long before any significant man-made pollutants had occurred. Before being bottled, most spring water is subjected to ozonation, a bacteria-killing process that involves pumping ozone through it.

Increasingly, and thanks of spring water are putting forward competing claims about the precise origins of their waters. Typically, the Vancouver-based Vancouver Canadian Water Corp. says that its bottled water originates from about 100 miles that provides industrial pollution. Vancouver's Aquasource Ltd. located its Mounties brand of what it calls "mountain water" in 1987. Mounties bottles feature an illustration of a figure resembling a Royal Canadian Mounted Police officer drinking from a canteen. According to Aquasource officials, the water for Mounties comes from the 1,500-foot Fraser Valley, 100 km north of Vancouver. Advertising copy describes it as "extraordinarily pure wild Canadian mountain water." Aquasource officials add that they have a license from the B.C. government to export one million gallons a day of Mounties to target markets in California and Asia. Canadian bottled-water leaders include Quebec's Montclair, have made some impact in the United States.

**Barriers:** Still, the province says that bottled water is not yet doing as well as it is hoped to be. In 1989, Canadian Consumer magazine, the monthly publication of the Consumers' Association of Canada, reported that 15 brands of spring waters and reported that four contained more bacteria, a toxic mineral element that occurs naturally in soil and rock, than federal guidelines recommended. In certain designs, bacteria can be allowed to the human nervous system, heart and muscle systems. According to the same study, bottled water generally also lacks fluoride, which helps to prevent tooth decay. Concluded the magazine: "We found no compelling health reasons for buying spring water, though you might consider buying if your tap water offends your palate."

Federal health officials have expressed other concerns about bottled water said, instead, collected two bottles in 1988 after Health and Human Canada suspected fossil traces of

bacteria that are known to cause food poisoning or serious skin infections. Bruce Brown, a Health and Welfare food microbiologist, said that the bacteria could have come from contaminated surface waters that penetrated the aquifers from which the bottled water was taken. Said Brown: "We are going to recommend that microbiological testing should be done on natural spring water." Most firms say that they test their water for bacteria several times a day and submit to occasional chemical and bacterial testing by federal inspectors. Meanwhile, among the provinces, Quebec is the only one that has regulations covering bottled waters.

**Looking:** Some critics say that spring water is essentially an unknown quantity—and that tap water may actually be safer to drink. Some

firm systems or cellulose ultra-filtration membranes designed to filter out impurities in water.

The carbon filters, which could be replaced from time to time, absorb organic contaminants including pesticides and herbicides. The permeation membranes reject some organic substances and, as well, such potentially dangerous organic ones as lead and mercury. Some filtering devices claim to remove 99 per cent of lead in water, 99 per cent of copper and 99 per cent of chlorine. Health authorities remain doubtful, however, that these devices should only be used where water has already been treated and meets microbiological quality standards. Otherwise, bacteria can build up in the device and then get into the water. Filters and membranes, which range in price from \$30 to



Shawn Weber bottling spring water in Calgary; intense competition in a rapidly growing market.

environmentalists say that, even though many aquifers are located in rural areas, they may also be near municipal garbage dumps that have been deeply used as toxic waste dumps. Still, Aquasource's Woodward says that it is possible to have a situation where "contaminants are looking only a mile away and you can still have a protective spring source, because of its depth and its direction of flow."

Concerns about the quality or cost of spring water have and some consumers try to buy water-treatment devices instead. Instead, stores selling a wide range of water-related equipment have sprung up across the country. The devices range from activated carbon filters made of best-treated wood that can be screwed into the water tap at home to sophisticated distilla-

\$1,500, account for an estimated \$80 million in annual sales.

**Falsely:** Among the 12 cases that Consumer and Corporate Affairs has successfully prosecuted was that of Robert Woodward, owner of Calgary-based company, Canadian Aquasource, which sold \$160 container-top filter units close to door. He and his firm were fined \$20,000 in 1988 for falsely claiming that his units prevented bacterial growth in water. Still, as long as consumers about the taste and the health risks of municipal water grow, water that people do not have to pay for is likely to continue to be something that North Americans will pay for.

ANDY WILHELMSE with JOURNALISTS' WORKERS in Toronto and JIM GUNN in Vancouver

# A RIVER OF HISTORY

## WHALES ARE DYING FROM POISON

**F**all-grown belugas whales are porpoises, friendly giants that often reach 15 feet in length, weigh nearly 3,000 lb, and obviously live for 30 years or more. They have articulated heads that allow them to look down and from side to side, which they do constantly because they seem to be endlessly curious about what goes on around them. They frequently approach small boats on the St. Lawrence River and keep the occupants company for periods of up to half an hour, swimming alongside and playing with floating objects as toys, which they poke with their noses. The whales also like to swim ashore, and as a result, boaters along the shore have in the past shot them with rifles for their hides and oil, and sometimes for sport.

The federal government put a stop to the practice in 1979. But the belugas are still dying—the victims of deadly poisons in the polluted river that for them has become a war zone. It is also the source of drinking water for more than three million Quebecers.

**Symptoms:** The plight of the belugas, whose numbers have dwindled to about 550 from as many as 5,000 at the turn of the century, has come to symbolize the misfortunes of the historic 145-mile waterway itself. Every day, Quebec, Ontario and U.S. industries and municipalities dump thousands of tons of solid wastes, including barrel waste, and hazardous chemicals into the river. Environmental critics say that some parts of the river have become virtual sewers. Last November, Hugh Deloan,

a water-chemistry scientist with the federally funded Burlington, Ont.-based Canada Centre for Inland Waters, said in a Montreal interview that the 50-year-old practice of chlorinating drinking water was no longer adequate to deal with St. Lawrence pollution levels. Government, said Deloan, must find new purification systems "or there could be big trouble." Said Denise McKay, a marine pollution specialist with the Government environmental organization in Montreal: "People in Montreal are ingesting small amounts of a wide range of contaminants every time they drink tap water from the St. Lawrence. We just do not know what the impact is going to be on our health as the long run."

In recent years, Ottawa and Quebec City have launched multimillion-dollar programs to clean up the river. Still, some environmentalists question the effectiveness of those projects. For his part, McKay said that inadequate or misapplied antipollution laws and political squabbling between Quebec City and Ottawa have left him "quite discouraged" about the prospects of reversing the St. Lawrence, said McKay: "I think the river may have been irreversibly harmed."

Despite the serious level of pollution in the St. Lawrence, Quebec government officials insist that most Quebec communities—judging the scores of municipalities that draw their water from the St. Lawrence—do not have problems with drinking water. But André Lar-

iv, director general of the water resources department of the Quebec environment ministry, identified that most of the province's small municipalities do not carry out comprehensive tests of water quality. Added Henri Desnoyer, head of the drinking-water division of the same department: "Just because water is polluted does not mean it is dangerous. You can purify tap water by any water."

Still, McKay and other government and private agency experts say that a law as far as responsible to evaluate the condition of the St. Lawrence accurately for two principal reasons. Firstly, they say, the river because the subject of widespread environmental concern only since the late 1970s, says, which means McKay said, that the ecological history of the St. Lawrence is better understood, "there is nothing to compare it to. How many species that we never catalogued became extinct in the past 50 years?" Secondly, McKay and others say that since has been little to establish clear-cut relationships between actual diseases—and possibly human ones as well—and the more than 400 waste chemicals from the 2,000 Quebec industries that have been identified as contributing to pollution of the St. Lawrence.

**Causes:** However, the evidence is circumstantial. The federal Environmental Protection Act defines concentrations of polychlorinated biphenyls (PCBs) of greater than 60 parts per million as dangerous-to-human health. PCBs are suspected of causing cancer in humans and of being responsible for birth defects in whales. Yet a survey, a small, seal-like animal, captured late last summer near the Akwesasne Indian reserve, 110 km southwest of Montreal, contained 11,552 parts per million of PCBs, and traps in the region often get readings of 2,000 parts per million. Pierre Plante, a marine biologist who works for the privately funded St. Lawrence National Institute of Environmental Research, Quebec City, said that most of the dead belugas whales he has examined contained PCB concentrations ranging from 50 to 800 parts per million.

In fact, it was the number of dead whales drifting ashore along the banks of the St. Lawrence that first gave rise to general concern about the condition of the river. Since 1978, the Quebec government has set aside \$52 million to install and improve sewage treatment facilities in the province. As a result, 41 new sewage treatment plants are expected

to be in service in communities along the St. Lawrence River by 1990. As well, the plant that currently handles only about half of the Montreal Urban Community's sewage is being expanded and, by 1992, will be treating all of the city's sewage. Said Jacques Senechal, assistant director of urban waste water treatment for Environment Quebec: "In another five years, there will be no municipalities with populations greater than 2,000 that are going directly into the river. That's progress."

For its part, Ottawa in 1988 set aside \$118

allocated so far for the Quebec program, and that the monitoring and enforcement program outlined by the province was "topologically adequate."

For his part, biologist Milard is involved in a grant research project. He collects the carcasses of dead whales, seals and walrus, keeps beaver along the St. Lawrence in an effort to determine how the animals died and what killed them. "We have found tumors at a rate 10 times what we find in whales elsewhere," said Milard. "We find problems with their

digestive systems, specifically ulcers in the stomach and the intestines. We find animals with ulcers, emphysemas and pneumonia. We have had a few cases where the same animal has had pneumonia, hepatitis, stomach ulcers and old diseases, suggesting that its immune system was not functioning properly. We had an animal that died of a tumor of the testis, which must have caused it great pain." He added, "You find diseases in an animal less than two years old and it is pathetic."

**Campaigns:** Milard and his colleagues at Bioscience in the Institute of Zoology are studying live belugas as well. Last year, they mounted an Adopt-a-Beluga campaign and persuaded 47 corporations and groups to pay \$5,000 each to help protect the animals. They spent the \$238,000 to buy equipment, including a 26-foot boat that is based at Tadoussac, 230 km northwest of Quebec City, where the Saguenay River empties into the St. Lawrence.

Last summer, marine ornithologist Robert Michaud and Danielle Bellettre say that they will resume projects aimed at trying to relate the counts belugas make to their behavior. "The researchers also plan to count the number of young whales in an effort to determine how rapidly the beluga population is changing. "We leave between 80 and 100 whales individually," said Milard. "We have grown three calves last August, Fish and Wildlife, and many come in one and play with the boat. They have this sort of smile on their faces. For us, it has become almost a personal tragedy, because we spend so much time on the beaches collecting those dead animals. We always wonder, 'Will I find out if the animals I know on the beach next week?'"

**RAE CORRELL with ALEX SANDROLO in Montreal and correspondence reports**



Belugas, McKay: the St. Lawrence may be "irreparably harmed"

million for a pollution research project at Environment Canada's Montreal-based St. Lawrence Centre. The program's objective: to find ways of reducing, by 1995, the amount of liquid toxic waste being dumped into the St. Lawrence by the 50 industrial firms that the government believes are the largest Quebec polluters of the river.

At the same time that Ottawa launched its program, Quebec announced one of its own, aimed at cutting emissions from 630 industrial plants by 75 per cent within a decade. But Government's McKay complained in a letter to Quebec Environment Minister Pierre Plante last month that only \$4 million had been





Pollution in the Fraser River sharp criticism

Dioxins and furans, which are suspected of causing cancer, both defects and changes in the sewage system, first received public publicity in 1987, when they were the focus of studies by the U.S. Environmental Protection Agency. The agency claimed to have shown conclusively that pulp-and-paper mills were responsible for the production of the family of toxic chemicals known as organochlorines, including dioxins and furans.

**Criticism:** Last spring, critics carried out by provincial officials showed the water serving as a source for drinking water in 12 test sites downstream from pulp-and-paper mills contained considerable levels of dioxins. The dioxins, researchers, which it sampled from 0.640 parts per quadrillion at the town of Ashcroft on the Thompson River to two parts per quadrillion at Quesnel on the Fraser River, were below the federal recommended maximum level of 10 parts per quadrillion. Still, the finding sparked sharp criticism from environmentalists. For his part, Brian Kilbey, a Greenpeace biologist, said that because dioxins accumulate rapidly in the human body, "the fact that there are dioxins in our drinking water in B.C. still had a major concern to the people exposed."

In the face of widespread water pollution in the province, environmentalists accuse the provincial and federal governments of not enforcing rigorous governing effluent discharge by pulp-and-paper mills. That criticism appeared to be supported by a 1988 12-item written by Otto Langer, head of habitat management in the Northern B.C. and Yukon division of the federal fisheries department. In the memo, which was published in *The Vancouver Sun* newspaper in November, Langer claimed that "senior staff and those above" in his department blocked legal actions against major industrial polluters. Langer also claimed that major polluters, including pulp-and-paper mills, were given special permits to continue polluting, while smaller offenders were sometimes prosecuted.

Officials in the federal fisheries department said that they were investigating Langer's allegations. But they also said that, from 1984 to 1988, 113 charges were laid against polluters in British Columbia, including seven against pulp-and-paper mills, resulting in 47 convictions. Still, Greenpeace members might have thought that, after 18 years, the environmental battle in their former home territory might have been completed. Instead, it appears that it is only just beginning.

HALL QUINN in Vancouver

## COVER

# ONE CITY'S WATER PROBLEM

## A COMMUNITY COPE WITH TOXINS

Even though Doncar Inc. closed down its wood-treating plant in Newcastle, N.B., four years ago, the company currently has a multi-million-dollar project under way at the 57-acre site. Doncar has begun the herculean task of excavating 30,000 tons of soil that was contaminated by chemicals from the plant during its 68 years of operation. Company officials say that the firm has begun to pump out and decontaminate groundwater from under the Doncar land and adjoining property. In the meantime, the 6,000 residents of Newcastle, 150 km north of Fredericton, also have a water problem. Tests carried out by provincial officials in 1988 and 1989 showed that two wells, which were located less than one kilometer from the Doncar plant and supplied Newcastle's water, were contaminated by a chemical that is suspected of causing cancer in humans. As a result, delivery trucks are supplying Newcastle residents with bottled water at a cost of \$12,900 a week to the town and the province, while work continues on a \$16.5-million water supply system for Newcastle.

The chemical found in Newcastle's wells was hexachloro, one of a family of chemicals known as polynuclear hydrocarbons (PHHs). PHHs are found in many substances, including motor oils and automobile exhaust fumes. They also appear in cigarette ash, as they leak liquid that the Doncar plant used to prevent its highly toxic products from seeping into the soil and into the wells. Even though subsequent water tests, in September, showed no further evidence of PHHs in the wells, provincial authorities recommended that Newcastle residents continue to use bottled water.

**Beats:** So far, the provincial government has not been able to determine how the city's water supply came to be polluted. And Doncar officials say that there is no evidence that the company affected the town's water supply. Indeed, Doncar officials say that the tests showing contaminants in the water were flawed. "Five sampling procedures were used," said Doncar spokesman Jacques Vio. "The people of Newcastle have been put to a lot of expense for no reason whatsoever."

Doncar's current cleanup campaign began in 1986 after Premier Frank McKenna's Liberal government told the company to close up and shut down plans for expanding the plant. Since the plant first opened in 1928, a variety of toxic chemicals, including mercury, polychlorinated biphenyls, and a copper-arsenic combination, were used to treat wood. Now, Doncar officials claim that a total of seven acres of groundwater at the Doncar plant site, as well as on some adjoining land, is contaminated.



Delivering water by truck in Newcastle: providing residents with an alternative source

Some Newcastle residents said they have been convinced for years that the local environment was under severe stress. John and Bethina Whelan, who own a 60-acre farm adjacent to the Doncar plant, say that a deadly blight began to creep across their land during the early 1980s. Bertha said that trees, grass and wildlife died out on their land, and that when she threw stones into the pond on their land, black water bubbled up in an oily foam.

In 1986, Doncar closed down the plant because of declining demand for the local wood treatment that the plant supplied. Then, in 1987, company officials replied to the provincial government for permission to reopen

the plant because they had received an order for telephone and electricity poles from the Quebec. Officials of the New Brunswick environment department told Doncar that the company would first have to close up the contaminated land around the plant. So far, workers have excavated about 10,000 tons of contaminated soil. Bertha says being used to break down organic contaminants, while more heavily contaminated soil is destroyed by incineration. Doncar officials said that the project could take up to 20 years to complete. At the same time, Doncar has begun to pump contaminated groundwater to the surface and treat it by running the water through a charcoal filtering process. The water is then pumped back into the ground. Company officials said that it could take up to 20 years to clean all of the contaminated water.

**Boys:** Despite recent tests that gave Newcastle's drinking water supply a clean bill of health, provincial officials claimed that it would be too risky to continue using the old wells last summer, city technicians booted three new wells in the northern section of Newcastle, about 1.5 km away from the old wells. But tests showed that water from the new wells con-

tained normally occurring compounds, a nutrient that is not harmful to humans but gives the water an offensive taste and smell. The city of Newcastle and the provincial government agreed to shut the closing of building the new plant to remove the contamination from the water. Meanwhile, city officials and the town's old wells could be reopened for use in the near future. For his part, Newcastle Mayor Peter Murphy said he regretted the amount of time and money his city was being forced to spend to provide a safe source of water.

MARK NICHOLSON with MARK TUNNEY in Saint John, N.B.

## COVER

# SLUDGE WARS

## THE FIGHT FOR CLEAN B.C. WATER

Nineteen years ago, when the environmental organization Greenpeace started operations in Vancouver, one of its aims was to clean up the polluted waters off that city's shores. Now, Greenpeace has grown into an international movement based in Vancouver. But many of British Columbia's rivers and coastal waters are, according to Greenpeace members in Canada, still severely polluted. Along the province's coast, many fisheries are restricted or even closed because of pollution by municipal and industrial effluents, including discharge from the province's pulp-and-paper mills. In addition, environmentalists have expressed concern about the quality of drinking water in several areas of the province. Last month, 33 environmental and labor groups, including Greenpeace, formed a coalition to lobby the provincial government to halt the pollution of B.C. waters. At a meeting with coalition mem-

bers, B.C. Environment Minister John Reynolds admitted that the situation was serious. "I think," said Reynolds, "I am not going to pretend that anybody in this province has done a good job over the last 20 to 30 years."

**Blame:** The blame facing British Columbia and the government is that a leading pollution-city is also the province's dominant industry. Every day, British Columbia's forestry companies and their pulp-and-paper mills discharge tens of thousands of pounds of contaminants into the province's streams, rivers and oceans. The industry's effluent compounds problems involving household and industrial pollutants in the Vancouver area that are common to most major urban centers across the country.

The toxic substances regularly dumped into B.C. rivers and coastal waters include dioxins and furans, two chemicals produced by the chlorine bleaching processes used in some pulp-and-paper mills.

Reynolds: severe situation





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## SPORTS

# Golden moments

## Canada's junior hockey team triumphs

**A**fter them can count on minutes in the National Hockey League. A few have already been scouted by the pros in future aspirations. But the 28 Canadian teenagers who flew to Finland in mid-December to compete in the annual world junior hockey championships, in contrast to other national teams, had come together only days before the tournament. And despite their individual talents with teams across North America, their championship chances seemed slight against the ice-favored Soviet and Czechoslovakian teams. They were to compete for the first time on the world, dominating European teams against formidable European players. Indeed, the great Canadians suffered several serious setbacks during the 10 days of competition. Until the closing moments of their final game last week—and then again for several hours afterwards—it seemed that they might have to settle at best for second place.

But after a dramatic series of heart-stopping twists on the ice, the team's final day last week, the Canadian-seeded team triumphed. Historic after the dramatic ending to a close 2-1 victory over Czechoslovakia, the players sang an off-key O Canada as the Maple Leaf flag was raised in recognition of their victory. The young to have champions, the new champions played each other with on-ice role play on the dressing room floor.

"The best day of my life and the biggest victory I've been in," said Danyo Numa, a native of St. John's, Nfld., who scored the winning goal against Czechoslovakia. Still left winger Dave Caprice, the top-scoring Edmontonian who set up Numa's winner. "This is more than just another day at the office. This expression is going to stick with us for the rest of our lives."

Although Canada has won the world junior title three times previously (1962, 1965 and 1968), seldom in any such tournament has the winning team experienced so many emotional highs and lows on its way to the gold medals. And surely has a heavily assembled group of young players, whose ages range from 16 to 18, experienced countless through the emotional low points and reached joyous triumph to fight with their fate or their sticks under stress.

One of the lowest points and the final high both involved in the determination of whether to play the team, Sweden. The Swedish along Canada on the second last day of the eight-nation round-robin tournament with its only defeat. Down 4-2 in the third period, the Swedes scored three times in 98 seconds and held on to win, placing Canada hopes for gold medals in serious jeopardy.

In the showdown the next day, the Swedes outplayed the Soviets in Helsinki and the Canadians lived off against Czechoslovakia in Bratislava. At the 200, 300-ice to the world-



## Marry now, pay later?

In this mad, mad world, marriage on our continent is now leading up to a frightening rate. One analyst states that out of every ten marriages in the U.S. today four will end in divorce. No need here to get into a religious debate on divorce. We are all agreed that it is a very real human tragedy. Even when the statistics put on a brief front, there remains a certain anguish over "what might have been."

Getting this mad is not like buying a car. One can get rid of one car and get another without suffering any social scorn. Not so when one leaves one spouse and goes it alone or takes up with another. Other still, there are children whose suffering at the separation of their parents can affect their whole lives.

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## SPORTS

area. A Canadian win, coupled with a Swedish victory at a tie, would give Canada the championship. But, with less than four minutes to go in both games, the Soviets led Sweden 3-0 while Canada held a precarious 2-1 edge over the Czechoslovaks. The Canadian recorders tried to tie the tie to earn their second-place silver medal. Thus, the surprising Swedes scored twice—the tying goal in the last second of the Helsinki game. When that result was announced at the Torino arena, with less than three minutes to play, the Canadian bench came alive with handclapping and cheering. They left on to beat Czechoslovakia, a tough team, which had defeated Canada 3-1 in a pre-tournament exhibition game.

Even as the Canadians danced each other with orange drags, and danced to the beat of Tom Turner's Simply Be Beat over down-room loudspeakers, team officials learned by telephone that the Soviets had officially protested that the tying Swedish goal had entered the net after time had run out. But, after intensive negotiation, the disputed goal was recognized as a result of tournament team members, the Soviets withdrew their protest.

In the final accounting, the championship rested on Canada's own come-from-behind victory over the Soviet Union on New Year's night in Helsinki. The powerful Soviets, among the best country's ever-known title in 14 years, built a 3-0 lead in less than 16 minutes but the Canadians battled back with no scoreless goals and prevailed 4-1. As a result, through close team finished the tournament with silver medals of five stars, a tie and one loss. Canada placed first for having beaten the Soviets. Czechoslovakia took the bronze-medal spot. The host Finns, who held the Canadians in a confidence-shaking 3-0 tie on New Year's Eve, finished fourth, ahead of Sweden, Norway, the United States and Poland.

The Canadian triumph underlined the presence of such players as Oksanen, who was released to play for Canada at his first season with the New York Islanders. With new goals and four assists, he was named a tournament all-star along with goaltender Stéphane Fiset, a Montevideo who plays with the Victorville Tigers in Quebec. Head coach Guy Ghezen, who normally works with Canada's Olympic team, praised Fiset for "his dramatic job" while playing with a painful knee injury. Centre Eric Lindros, hailed by NHL scouts as a future superstar, scored four times to rank second in goals for Canada. The 16-year-old Toronto-born was playing in Michigan and is now joining the Quebec Hockey League's Orleans Generals.

But as the eyes of the many scouts, foreign journalists and others watched them, all the Canadian players—and coach Chamon—embodied their reputations. And against a recent history of knowledge international tournaments, the most impressive legacy of the young players' capabilities may well be the way that they surpassed Canada's history's reputation with their mature behavior under pressure.

CARL HOLLINGS with PETER STARCH in Helsinki

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## PEOPLE

### A blossoming beauty

A stress John Roberts, one of the newest heart-stoppers in Hollywood, is playing at stopping her own heart. Roberts, 33, who plays the daughter of Sally Field's character in the recently released movie *Steel Dawn*, will star as a medical student who tries to stop her heart briefly to get a glimpse of the afterlife in a drama



Roberts: 'hotter than a burning tree'

*Flowers*, to be released in the summer. The Los Angeles resident, who won fame after starring in last year's movie *Myke Poole*, is making the most of her current popularity. She has also just finished working with Richard Gere in a comedy, *Party Lines*, to be released in the spring, in which she stars as a call girl. And the *Downsizing* Field of her former co-star. "Right now, John's hotter than a burning tree."

### A fresh approach to a familiar theme

Her works are acclaimed across Canada for their originality. But Steven Pollock says that, for her part, she just keeps writing the same play "over and over again." But, she added, "each one is from a different angle of ob-

servation." In her new play, *Getting It Straight*, which is opening in Toronto this week for a four-week run, the 55-year-old Calgary-based writer said that she again tackles the themes of guilt and conscience, along with individual perceptions of reality—this time, all from the perspective

Pollock: "experimental"



### Love on skates

Once again, Canadian skater Brian Orser and his 1988 Olympic rival, American gold medalist Emma Barto, are in a special contest—for the love of a woman. In a series, soap-opera movie version of *Carole* filmed in Seville, Spain, the two men fight over the sexy Spanish factory worker played by Canadian Olympic champion Katerina Witt. Said Orser, 38, who plays the skater who was her lead: "This time, the battle of the skates was fun."

Orser: spirited contest for a woman

### A CELEBRATED MYSTERY WOMAN

She has been a reclusive since 1978, but Marlene Dietrich remains one of France's most prized residents. Last week, the French government gave the timeless glamorous actress an 80th birthday present when it named her a commander of the Legion of Honor, one of the country's top national awards. But the former screen diva is not likely to leave her Paris apartment to receive the award. It seems that Dietrich, who once said that she did not want her face to see her in old age, believes that a legend survives best as a mystery.

### Role hopping

Canadian actress Christine Cretell says that playing a news reporter was fun, but she adds that she would not want to do the job often. The 30-year-old comes with John Ireland in an untold play, a newsroom character who helps to save a kidnapping victim in the thriller *Gaspard's Story*, to be released this spring. The former Miss Toronto, who made her name as a debut playing a newsroom character in the 1979 comedy *Crunch*, said that she would not want any other job because she enjoys "adopting new personas."



Cretell: an intrepid reporter actress

of a seemingly intense woman. Pollock, whose more than 30 plays include the 1982 Governor General's Award-winning *Blood Relations*, added that her new play about a woman's journey to self-realization is her most "experimental" work to date. "My works are like fingerprints," she said, "all the same, but each one is different."

# GM takes the gears

A novice film-maker takes on an auto giant

ROGER & ME

Directed by Michael Moore

The scruffy man in the baseball cap has trouble getting anyone to take him seriously. He had never made a movie before, and he lacked as if he

did not even have enough money to produce the film in his 18-year career. But Michael Moore, contra movie-maker from Flint, Mich., knew that he had a good story. And he pursued it like a terrorist. His subject was the devastation of Flint by the elimination of about 35,000 jobs at General Motors. But it was to be a comedy, a threat upon which the little guy works in evidence with the big boss. Moore can launch at the title (or General Motors chairman Roger Smith was unwittingly used as the boss. The result, a brilliant documentary titled *Roger & Me*, takes snapshots at the headquarters of America's automakers, and across a Detroit that Moore's film is an astonishing, unscripted and often poignant look at the decay of capitalism in the Rust Belt. It is also one of the funniest comedies in years.

But what is most remarkable about the movie is its success. Documentaries, as master how-to, rarely do as well as mass vehicles in North America—especially political documentaries. But after a lively looking war among the major Hollywood studios, Moore sold distribution rights to Warner Brothers for \$3.5 million. And the month, the studio conglomerate that takes America in releasing *Roger & Me* in 365 theaters across the continent. Strong opening crowds indicate that the movie, which cost \$183,000, will easily shatter the box office record for a documentary, currently held by *Woodstock*, a Warner product that grossed \$23 million.

Moore has called his movie "a real letter from Flint." He's a 35-year-old son of a Flint entrepreneur, remembering about growing up in the backyard of General Motors. Using archival clips from the 1930s, he shows how the city has been transformed from the cradle of the American dream to a junkyard of industrial disaster. Wondering whether the auto chairman has the answers, Moore sets out to de-

code search to find him. With the camera rolling, he looks for Smith at his head office, his yacht deck, his golf course—as if to no end.

Meanwhile, the movie records a doomed campaign to revive Flint's economy. A new luxury hotel, unable to attract much more than a Scripps television, goes bankrupt. And a



Moore: he takes snapshot aim at America's car empire

\$116-million indoor theme park called *Autoworld* closed after ten months. "It was like asking people to go to New Jersey to visit Chevrolet World," Moore says in his narrative. One city project that does succeed, however, is a towering new pit—built because of the city's soaring crime rate. And Moore's crew is on hand as Flint's weather channel celebrates the pit's opening by paying \$108 to spend a pit night behind bars.

Sneering playing the nation. Everyman, Moore captures some shared situations on camera. He meets laid-off workers posing as human statues at a glamorous Gatsby party. He

flits as evangelist based by the city to find a spiritual core for employment. And he gets rousing celebrations to reveal their unemployment—from GM single-vehicle Pat Boone. "Take a ride today in your Chevrolet!" sings Auto Bryant (who cranked the gears of sport plugs before becoming an orange-sauce spread). Moore also interviews gun-toting boat boss Eduardo, a Fiat dealer, who coaches a hard job snuffing several protesters at once. Eduardo, who clearly never expected his comments to stomach the big screen, has since pleaded that the footage be cut.

Overnight, Moore also makes fun of those people who are creating small, shrewd-to regular jobs. Displaying the despicable cruelty of a blue-collar (David Letterman, he interviews one vacuum who breeds rabbits ("converts from cat"?) in her backyard, and another who runs a Tupperware-type business in personal color salons. But he depicts comedy in documenting a series of emotions. As shots of a black family being thrown out of their home on Christmas Eve are intercut with a scene of Smith delivering a post-Christmas message about "individual dignity," Moore's untitled anger becomes gradually calm.

Roger & Me's anger is past with irony rather than sentiment. And the filmmaker says that he tried to avoid dwelling on depressing images. "Most people, when they're depressed, just want to forget why they're depressed," he told *Mirror* last week. "I wanted the images to stay in the film to stick." Moore added that he hoped his movie will not put out anything, but give people to become politically active.

A former editor of the glossy left-wing magazine *Mother Jones*, Moore, who is committed to his home and humanism and scared game to finance his movie. "But I never felt it was risk," he said. "I always thought of it as a romantic, mass-appeal movie." In making a deal with him, Warner Brothers accepted some unusual conditions. It allowed free screenings in Flint while agreeing to rent or purchase homes for families that the movie showed being evicted—and to have one seat in every theater where the movie plays empty for Roger Smith. The GM chairman recently said that he refused to see the film because he is "not much for sick humor." Moore's response: "Any guy who estimates \$2,000 a day at a time when his company is making \$1 billion in profits is a sick humor."

The success of *Roger & Me* reaffirms the power of protest—and art. Among all of the projects sparked by Flint's decline, it is one that worked. But asked if his movie may be the exception that restores confidence in American leadership, Moore is quick to reply: "It's a film—a pop art statement to it."

BRAD D. JOHNSON



Langs, Mueller-Smith: a daughter's eroding faith in her father's innocence

## War's dark legacy

Holocaust memories haunt two new movies

The Nazi Holocaust has cast a dark and long shadow over the 20th century. And it has haunted both movement and perpetrators who have tried to build new lives in North America. Two new movies deal with U.S. immigrants struggling to escape their consciences of the Second World War. *Minority Report* is a gripping courtroom drama about a lawyer who defends her Hungarian-American father against charges of war crimes. *Exodus*, a *Law Story* is a historical tragedy about the romantic misadventure of a Polish-American Jew and his traumatic flight from terror. In *Exodus*, the essence of the Holocaust comes with each failed turn of the plot; in *Exodus*, they gradually merge into the background. The two films are unlike in spirit and form, but they are both about guilt. And both are distinguished by exceptional acting.

For its Greek-style director, Costa-Gavras, *Minority Report* is a return to the rigorous standards of dramatic realism that he set with *Z* (1969) and *Alpha* (1965), two acclaimed thrillers about victims of right-wing dictatorship. After *Deluge* (1968), his farewell attempt to dramatize the threat of fascism in Middle America, Costa-Gavras proves once again that he is the master of the ultimate political thriller. Crafted with precision and

compassion, *Minority* is an emotional time bomb planted in the human heart. Filmed in both Chicago and Budapest, it stars a dark-haired, disheveled Jewish Langs as Ana, a Chicago lawyer and devoted mother. One day, her widowed father, Mike (Armin Mueller-Stahl), comes to her for legal counsel. And U.S. authorities have uncovered evidence that he served as a police officer during the war, but his ex-wife claims that he was simply a clerk.

As both men in bed with confidence, but soon learns that the prosecution case is thoroughly discredited. As the film has led to exposure, her father, her faith in innocence is slowly eroded by the testimony of one eyewitness after another identifying him as a cold-blooded killer who was direct-

ly involved in the murder, torture and rape of Jews in Hungary. Ana's only hope to prove a case of mistaken identity. And, as the trial slips into public controversy, she has to contend with the effect of her finding 13-year-old son, Mike (Lukas Haas), who shares his father's faith.

From the early scenes, it becomes fairly easy to guess if the defendant is guilty or innocent. But *Minority* has a well-told plot that there are constant surprises in the way that the truth is revealed. Rather than constructing a Holocaust whodunit, Costa-Gavras hangs the suspense on the emotional crisis of Ana confronting her worst fears. And the audience is an explosion of sorrow and pity, not of vengeance and outrage.

As Ana, Langs gives her most powerful performance since playing the role in *Phenomena* (1982), the true story of actress Patricia Hearst's descent into insanity in 1974. Ana's face has the depth of emotion, but she has to lead her way through a complex web of intrigue to find them. The film is a most measured and credible performance, one that builds by relentless accumulation. While Langs comes up with an intriguing vulnerability, German-born actor Mueller-Stahl portrays Mike as a chilling enigma. Mueller-Stahl, whose own father was executed by the Nazis for desertion on the last day of war, seems to bring extraordinary commitment to the character.

Costa-Gavras skillfully avoids conventional perceptions of heroism and villainy. As Jack the crossing federal prosecutor—and the federal courtrooms adversary—a hard-boiled Justice Department prosecutor would normally be the villain. But because of the ambiguity surrounding Mike's innocence, and the horror of the crimes he is alleged to have committed, another is as simple as it appears. Last Ana, the audience is torn by wildly conflicting emotions.

Director Gavras it clear that the movie makes it clear that the crimes triumph of good over evil can ease the tragedy of the Holocaust.

In *Exodus*, a *Law Story* based on the 1962 novel by Nobel Prize-winning author Isaac Bashevis Singer, the Holocaust serves as a premise for a romantic tale. The movie opens with a brief scene of a young man wearing a in a hospital while Nazi troops with guns brutally assault a young Polish woman. It is a poignant flashback. The man, a Polish Jew named Newman (Joe Silver), was on his way to New York on his way to meet his fiancée, NY.

In 1940, and the peasant to the dream in his wife, Yelena (Margaret Sayer)

Older: deeper and sadder









# The right royal way to study a problem

BY STEWART McLEOD

Just as a procedure, you might want to taste your seat belt, because we're about to give you a ride—even if it's more of a pitance than a patsy—on Prime Minister Brian Mulroney. And in light of the press he's been getting, this ride will cost you a lot of money and a great deal of sleep.

Perhaps, for the moment, that it wasn't a great 1984er the Prime Minister—after what with Merck, Laid, the new Goods and Services Tax, the new-to-grow-up abortion issue, his Rail cutbacks, falling industry disapproval, and last but not least, standing into the Opposition of American States in time to help George Bush play Christmas rockstar to Gen. Manuel Noriega.

But of all the criticism he faces, none has been more persistent than that arising from the past, present and future. And, it's here he is, he has shown a state of mind towards his personal and public life. However, he is hard to come by, but the patronage appointments he has made between his two residences of "a thousand" or "no" to the opposition's 2 1/2 million. (One, that's the old-of-mind, however, the press can easily begin. And he's here those cheers for Mulroney's apparent reluctance to abuse royal commissions, the longest-running trough in Canadian history.

I hope we're not being generous here, because the government has left out a "Royal Commission on a National Transportation System for the 21st Century." The thing was a lot of time Transport Minister Donohoe had just cut the Via Rail service in half—but, then, this government has been especially in the RC system.

Believe it or not, prior to this, there were only three federal royal commissions at work—studying drugs in sports, development on the Toronto waterfront and reproductive techniques. There has seldom been a period in Canada's history when so few politically ap-

## At least Mulroney is reluctant to abuse commissions, the longest-running trough in Canadian history

pointed commissioners were travelling around the country collecting recycled facts.

They could be the great make-work projects. (Good, you say? Well, we're here to tell you that the transportation inquiry was the 44th royal commission appointed since Confederation. And, by my count, it's the 76th to study some aspect of transportation. Little wonder that Donohoe said his appointment "could make people smile."

What makes people positively giggle is the fact that the Tories set up their own Rail Passenger Action Force after the 1984 election, and the following year it barely recommended "reducing the excitement of train travel." At that time, Donohoe, then a parliamentary secretary, predicted "a vigorous new passenger system to meet the needs of Canadians into the 21st century." Now he's known affectionately as Barney Babbles.

But we're in danger of straying here. The whole point of this episode is to pay homage to the Prime Minister's job, so far, not following the example of his predecessors in appointing royal commissions to investigate every problem that bedevils him. Sure, he likes to stand well in Parliament until forced into action, but that's cheap. Royal commissions, at a source of

employment and information, are damned expensive.

When former Liberal finance minister Donald Macdonald was appointed in 1982 as head of a 13-member commission on "economic union and development prospects for Canada," he was paid \$860 a day, which isn't bad. The commission recommended a free trade agreement with the United States, which earned the now Tory government just barely, and Macdonald was last seen as Canadian High Commissioner in London, adjusting Mulroney's tie in Madame Tussaud's.

Incidentally, it would take most of this magazine to define the legal and historical requirements for a "royal" commission. But the accepted criteria are whether it comes under Section 1 of the Inquiries Act and, of course, what the Prime Minister feels it should be called. Royal has a nice ring to it.

Of the 10 or so commissions appointed by Mulroney, most have been for very specific purposes, into air and railway crashes, for instance. But like the old days when they were set up to avoid parliamentary questioning and delay decisions.

The 58th anniversary of John Diefenbaker, in six years, and Lester Pearson, in five, covered just about every major problem in Canada, with a particular emphasis on the movement of goods. And what they missed with their 40, Pierre Trudeau looked into with his own 40, 41st anniversary, which Diefenbaker established to head off a second strike, went on, to help me, for one year. The Lord alone remembers what it truly said.

Apart from transportation, we have spent a great deal of our own money peering into the mysterious world of bureaucracy. The 41st in 1978 set up by the ministry of justice and fisheries managed to travel to 25 Canadian cities, 10 foreign countries and hear 164 submissions for the princely sum of \$42,000. That is, the royal commission to examine the dissemination of half-baked at the North-West Territories.

A real cheapie was the 1982 commission on the tobacco trade, all for \$5,000. Unfortunately, no price is listed for the 42nd established in 1985 for the royal commission to examine the use of alcohol in the North-West Territories. A real cheapie was the 1982 commission on the tobacco trade, all for \$5,000. Unfortunately, no price is listed for the 42nd established in 1985 for the royal commission to examine the use of alcohol in the North-West Territories.

Incidentally, it's amazing how many royal commissions report on no longer be found. Some were known to perish in the parliamentary fire of 1959, but many others simply disappeared before reaching any sort of link of interest.

So, we'll never know why a lack of interest and transportation in Canada managed to spend a whopping \$335,000 back in 1978. On how the government could find a chairman with the name of Arthur Surpless in 1933 to look into a possible canal across the isthmus of Chagapeta.

Unless, of course, Mulroney suddenly appoints a batch of royal commissions to find out for us. Perhaps we shouldn't have mentioned it.

Allen Rutherford is in Ottawa.

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